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ESTABLISHED 1887

Clinton's Bold Agenda, From Day 1

By Thomas L. Friedman... WASHINGTON — President-elect Bill Clinton wants to convey an impression of boldness and change during his first days in office by issuing a whirlwind of executive orders on abortion rights, White House perquisites and government ethics, his aides say.

plans rests a great deal on unanswered questions about Mr. Clinton's character. Can a man who is so eager to please say no to the demands of the power-starved interest groups that contributed to his election?

- Ending the ban on gays in the military and the ban on abortion in military hospitals overseas.
Abolishing bans on abortion counseling at federally financed clinics and research using fetal tissue.
Allowing the importation from France of the abortion pill RU-486.
Establishing a family-leave policy for federal employees who want time off to care for children or sick relatives.
Revoking the Reagan-Bush policy of forbidding American aid for foreign organizations that provide abortion services, counseling or referrals.
Trimming the White House staff by 25 percent and eliminating executive dining.

U.S. Strikes at EC With Tariffs

Opening Salvo in Trade Conflict Targets White Wines

By Tom Redburn... PARIS — The U.S. government, firing the opening shot in a trans-Atlantic trade war, announced Thursday that it intended to impose punishing tariffs on \$300 million of goods from the European Community, chiefly white wine.

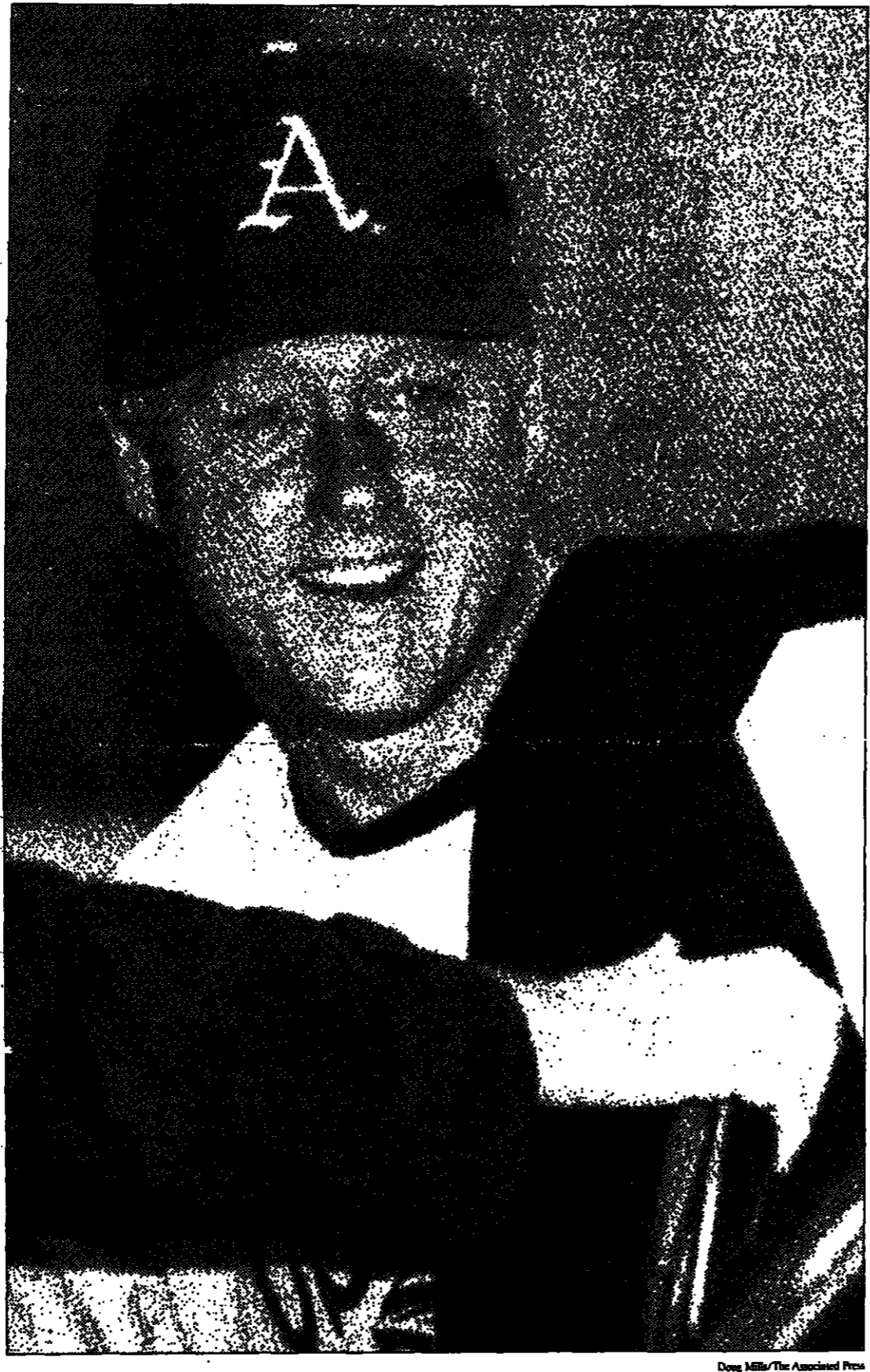
For five years, the EC has refused to provide the United States what it is clearly owed under international trading rules. Mrs. Hills said at a news conference. "Given the trade harm the United States is suffering, I must proceed with a compensatory trade action."

what steps to take in reaction to the U.S. announcement. But even as they were considering a response, EC leaders appeared to be on the verge of further disarray over the Community's trade stance.

A Presidency Lost: Bush and Campaign Were Out of Touch

By Maureen Dowd... WASHINGTON — It was beginning to sink in, very painfully, that he had been fired and now he was expected to go back to Washington and take all his stuff out of the Oval Office, the worn Yale baseball mitt, the drawers full of tennis balls, the family pictures, the black and white horseshoes, his black Swiss army knife with "President Bush" engraved in silver.

J. Bennett, a former official of the Reagan and Bush administrations. "We've been in office for 12 years. We got tired. We forgot why we came."



Mr. Clinton wearing a cap with an 'A' for Arkansas in Little Rock on Thursday. Later, he handled state business.

The Economy: Quick Fix, Or Long-Term Remedies?

By Lawrence Malkin... NEW YORK — Whether to give a quick boost to the economy, and if so by how much, is the first question facing President-elect Bill Clinton, and he is not saying how he plans to answer it.

the rest to revenue losses from a tax deduction for corporations investing in new equipment. When business economists run these numbers through their computers, they barely get an extra blip in the budget deficit.

Inside

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Legislative barons will test Clinton's agility. Page 3.
Japan faces winter trade talks from Washington. Page 11.

maladroit management of Robert M. Teeter and Frederick Malek, the politically disastrous economic advice of Richard G. Darman and Nicholas F. Brady, there was also a sense that Mr. Bush was responsible for his own failure in the end, because he was unable to read or give voice to the public's mood and imbue his presidency with passion, poetry and a plan.

Setting the Tone: Clinton's Message to Saddam, et al.

WASHINGTON — President-elect Bill Clinton's declaration that no foreign nation should "doubt America's resolve" during this transition period was intended to signal adversaries, particularly President Saddam Hussein of Iraq, that they should not try to test the young new American leader, Clinton aides said.

that if he won, the leaders of Iraq, Iran, or China — whose elderly statesmen have grandchildren Mr. Clinton's age — might be tempted to test him when he takes office in January.

serious problems have begun brewing abroad. Hyperinflation and challenges from hard-line extremists are threatening to topple the democratically elected government of President Boris N. Yeltsin in Russia, which has already put on hold the withdrawal of troops from the Baltic states and is backtracking on some of its agreements with the Bush administration to destroy nuclear arms.

Iran's increasingly aggressive behavior and arms buildup have prompted the United States to augment its naval presence in the Gulf. Other problems, like the prospect of further widespread starvation this winter in Bosnia and

Kiosk section containing market data for Dow Jones, Trib Index, and the Dollar, along with general news headlines.

The Washington Gossip Mill: Contenders for the Clinton Cabinet. A grid of small portraits and names of potential cabinet members.

No Home-States Seen For Key Clinton Posts

WASHINGTON — Although a few of President-elect Bill Clinton's Arkansas associates undoubtedly will join his administration, he will not have a home-grown inner circle like the "Georgia Mafia" that Jimmy Carter, the last Democratic president, brought to Washington from his campaign organization.

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# VOTE '92 / AN EX-PRESIDENT'S DISMAY

## Reagan Is Angered By Bush's Failure, Associates Assert

By Bernard Weinraub  
New York Times Service

LOS ANGELES — Although Ronald Reagan issued statements congratulating Bill Clinton on his election victory and praising President George Bush for "distinguished service to the country," close associates say that privately the former president and his wife, Nancy, are upset, even angry, over how his successor led his failed effort to win re-election.

Several friends said the former president, although personally fond of Mr. Bush, had been distressed for weeks about the Republican campaign.

Within the Reagan circle, Mr. Bush and his associates were blamed for a flawed campaign that, among other things, failed to use Mr. Reagan as a campaigner until late October.

Although no one felt that Mr. Reagan could have turned the election around or would have had a major impact on the campaign, associates said they viewed his mis-handling as typical of the Bush effort.

It is not known whether Mr. Reagan relayed any hint of disenchantment to Mr. Bush. He made telephone calls to Mr.

Bush and Mr. Clinton, but the details of the conversations were not disclosed.

Although the Reagans and their friends are politically conservative, they were described as dismayed that Mr. Reagan's relatively moderate speech to the Republican National Convention in Houston last August was dwarfed by Patrick J. Buchanan's scathing speech, which was allowed to go overtime and thus pushed Mr. Reagan's appearance out of prime time on the East Coast.

"It was a travesty," said a former White House official and Reagan associate. "We would have controlled that."

There also are complaints from the Reagan circle about the handling of issues like family leave, which Mr. Bush opposed but was popular with the electorate, and abortion.

Although he opposed abortion, Mr. Reagan repeatedly sought to blur the issue, unlike Mr. Bush, who was boxed into an inflexible position opposing it.

And Mr. Bush's "read my lips" pledge of no new taxes, which he broke in 1990, was viewed by the former president as politically devastating.



Patty Murray, a Democrat and the first woman elected to the U.S. Senate from Washington state, accepting a congratulatory phone call at her Seattle headquarters accompanied by her daughter, Sara. Mrs. Murray was one of five women who won Senate seats Tuesday.

## For Clinton, It'll Be a 'Hands-On, Mind-Boggling' Transition

By Paul F. Horvitz  
International Herald Tribune

WASHINGTON — Still functioning on little sleep, President-elect Bill Clinton placed get-acquainted phone calls to foreign leaders on Thursday and began plowing through "a massive amount of work" to form a new government.

Mr. Clinton, emerging from meetings at the capitol in Little Rock, Arkansas, said he had made brief calls to some of the leaders who have sent congratulatory messages, including President Boris Yeltsin of Russia, President Carlos Salinas de Gortari of Mexico, Prime Minister John Major of Brit-

ain, Prime Minister Brian Mulroney of Canada, Prime Minister Giuliano Amato of Italy and Nelson Mandela, the South African anti-apartheid leader.

No issues of substance were discussed, Mr. Clinton said, characterizing the calls as "look forward to working with you" conversations. His voice was raspy and he appeared tired from reading what he described as "voluminous" on the tasks ahead.

Mr. Clinton has begun the process of deciding how and by whom his transition to the presidency will be managed. Thousands of top federal jobs, including White House staff positions and 16 cabinet

posts, await new occupants. But there was no indication that any would be filled in the next few days.

In Moscow, an aide to Mr. Yeltsin said a meeting between the two men would be desirable and could be accomplished at a time suitable to Mr. Clinton, who takes office Jan. 20. In his call Thursday, Mr. Clinton said he offered general support for the democratic and free-market reforms under way in Russia. The two met in Washington in June during the election campaign.

George Mamedov, Russia's deputy foreign minister, said Mr. Yeltsin's message to Mr. Clinton sug-

gested greater cooperation on economic affairs and proposed further cuts in nuclear weapons, as well as measures to prevent the proliferation of missile technology. The Associated Press reported from Moscow.

In Washington, President George Bush scolded rumors that he planned a visit to Moscow in the waning days of his tenure, and he headed for a long weekend at the presidential retreat in Camp David, Maryland.

Mr. Clinton, who is still the governor of Arkansas, returned to his office inside the capitol after a morning jog on Thursday. Aides had to scurry to find the keys to the office's locked door.

In a televised interview late Wednesday, Mr. Clinton characterized the transition process as "mind-boggling," but he vowed to continue a hands-on approach. He said he wanted to "focus like a laser beam on this economy."

"There's a massive amount of work to be done," he said.

Foreign policy will come into play, he said, "in part as it affects the economy."

Mr. Clinton reportedly plans to move to temporary quarters in Washington in the next month to direct the transition. As expected, there was an explosion of press speculation about who might be appointed to direct the transition and to the various cabinet and White House posts.

That process was made all the more intriguing by Mr. Clinton's promise during the campaign to select Republicans and independents as well as fellow Democrats. Among those whose stock appeared to be falling was Mickey Kantor, the campaign chairman.

Various press accounts indicated that his role in private life as a lawyer with a lobbying firm might be seen as a handicap. Michael Walsh, chief executive officer of the energy giant Tenneco, was quoted Thursday as saying that "nothing less than the future of the presidency" rests on Mr. Clinton's

appointment of a treasury secretary.

"I have more responsibilities now," Mr. Clinton said in the interview Wednesday, with ABC News. "I'm exhilarated by it," he said. The demands on Mr. Clinton, 46, are enormous, but the president-elect said he would have little time to revel in his election or thank all those who helped make it possible. His own management style, shown in his work as governor of Arkansas for 12 years and in the yearlong campaign that he mounted, indicates that he will be deeply involved in all principal decisions.

"I'm a very active, hands-on person," Mr. Clinton said. "It's my style. It's the way I govern here. It's the kind of president I expect to be."

"I want to be involved with people, and I want to be involved with them, not just in having nice personal relationships, but in working relationships and getting things done."

## POLICY: Clinton's Statement a Signal to Adversaries

(Continued from page 1)

Somalia or a potential breakdown of the Arab-Israeli peace talks, could be enough to derail Mr. Clinton's plans to be first and foremost a domestic president.

As Defense Secretary Dick Cheney remarked on the eve of the election: "I would put forward the proposition that the next set of American policymakers will face tougher challenges, more difficult problems than anything we have had to deal with over the course of the last four or five years."

Mr. Clinton's statement was also intended to be a note of reassurance to longtime allies. When he said he wanted to "reaffirm the essential continuity of American foreign policy," he did so with the knowledge that certain important U.S. allies, like Saudi Arabia, Japan and some European nations, are uneasy about the passing of the Bush administration, with which they had worked closely.

King Fahd of Saudi Arabia had a strong personal relationship with Mr. Bush, with whom he planned the Gulf War, and the Saudis were quietly rooting for his re-election. The Japanese are very wary of the protectionist instincts within the Democratic Party, as opposed to Mr. Bush's unabashed free-trade

instincts, and the Europeans have always been more comfortable with Mr. Bush's unemotional realist view of the world than traditional liberal democratic instincts.

Mr. Clinton, aides said, wanted to get off on the right foot with all of them by signaling from the outset that there will be much more continuity in foreign policy than might have been suggested by the heated campaign debates.

With an eye to problems he might inherit, and seeking to put the best face on them, Mr. Clinton declared that he looked forward to "working closely with President Bush to insure continuity in global affairs of interest to all Americans, from continued progress in the Middle East peace talks, to completing negotiations on the details of the Start II arms-control agreement, to making progress toward a good agreement on our world trade talks, to bolstering Russia's fledgling democracy, to working toward peaceful resolution of the conflict in the republics of the former Yugoslavia, to assisting the victims of famine in Somalia."

Mr. Clinton, aides said, specifically mentioned the Arab-Israeli peace talks because all the parties are returning to Washington on Monday to resume negotiations, which have been stalled on all

fronts except for Israel and Jordan. The message Mr. Clinton wanted to send to both Arabs and Israelis, aides said, is that progress in their peace talks will be a foreign-policy priority. The negotiators, they said, should therefore remain seriously engaged and not withhold concessions just to see what will happen after he takes office.

Although Mr. Clinton indicated his intention to maintain the continuity of American foreign policy in the Gulf, he may not have the resources to do it. At the end of December, Turkey is scheduled to decide whether it will continue to let its air bases be used as part of the Gulf War military coalition, and for maintaining the no-fly zone over northern Iraq and the relief effort for Iraq Kurds.

At the moment, political sentiment in Turkey is running strongly against remaining in the coalition. U.S. military operations in the Gulf are built on three pillars: Saudi Arabian bases, Turkish bases and American naval power. If Turkey pulls out, it would seriously diminish that triad.

"If you want to keep Saddam in a box, you need to be able to keep the lid on," one Clinton adviser said, "and that is not going to be easy without Turkey."

—THOMAS L. FRIEDMAN

## More Results From House Races

Following is a list of winners in races for the House of Representatives that did not appear in Thursday's editions. The numbers indicate congressional districts. An (I) signifies incumbents.

- ARIZONA
  - 1 Sam Copersmith (D)
- CALIFORNIA
  - 1 Dan Hamburg (D)
  - 2 Wally Herger (R)
  - 3 Vic Fazio (D)
  - 4 John Doolittle (R)
  - 5 Robert T. Matsui (D)
  - 6 Lynn Wooley (D)
  - 7 George Miller (D)
  - 8 Nancy Pelosi (D)
  - 9 Ronald V. Dellums (D)
  - 10 Bill Baker (R)
  - 11 Richard Pombo (R)
  - 12 Tom Lantos (D)
  - 13 Fortney H. Stark (D)
  - 14 Anna Eshoo (D)
  - 15 Norman Mineta (D)
  - 16 Don Edwards (D)
- 43 Mark Takano (D)
- 44 Al McCandless (R)
- 45 Dana Rohrabacher (R)
- 46 Robert Dornan (R)
- 47 Christopher Cox (R)
- 48 Ron Packard (R)
- 49 Lynn Schenk (D)
- 50 Bob Filner (D)
- 51 Randy Cunningham (R)
- 52 Duncan Hunter (R)

- CONNECTICUT
  - 2 Sam Gejdenson (D)
- MICHIGAN
  - 8 Bob Carr (D)
- MINNESOTA
  - 2 David Minge (D)
  - 7 Collin Petersen (D)
- NEW YORK
  - 1 Geo. Hochbrueckner (D)
  - 3 Peter King (R)
- OREGON
  - 1 Elizabeth Furse (D)

## BUSH: How a Fundamental Lack of Vision, and of Campaign Sense, Undid a Presidency

(Continued from page 1)

himself with politically tone-deaf economic advisers who were reviled by the conservatives who helped elect the president. "As down home as he and Barbara were," said one old friend of the president, "after a while they got used to the idea that they were in the White House and that's the way it ought to be."

It was a measure of Mr. Bush's

alienation that as late as Saturday, Mr. Teeter was telling reporters on the president's final campaign train trip through Wisconsin that they were still working on consolidating the Republicans' base. And it was not until Saturday morning that Mr. Bush began to realize that he might have underestimated Bill Clinton, when the president said that he had dropped 10 points after internal tracking polls Thursday night showed the election in a dead-heat at 39-to-39. Many of the respondents on Friday night had mentioned the day's news reports suggesting there was more to his role in the Iran-contra scandal than he had admitted.

"Our numbers just went in the tank after that," said a senior campaign adviser, who believed the Iran-contra report was the most damaging thing that happened in the stretch, along with the bite that Mr. Perot took out of Mr. Bush's support in Louisiana, Ohio, Michigan and New Jersey.

There were sharp paradoxes here. Mr. Bush had made a point of distinguishing himself from the Reagan style as soon as he was elected, implying that his predecessor was too packaged, too handled and too out-of-touch.

"Wake me, shake me," Mr. Bush

said at his first post-election news conference in 1988, responding to a question that recalled the time that Reagan was not awakened to deal with the Soviet Union's downing of a South Korean airliner.

"The joke is he speaks of himself as a hands-on person when he's as hands-off as Reagan in his own way," said a Bush intimate outside the administration, who could talk for an hour straight at the top of his lungs about the way the president had surrounded himself with second-rate talent and clones. "He was only comfortable with a damn white-bread crowd, a bunch of white male Protestants, numbers crunchers and bean-counters. He lacked a Lee Atwater."

He also lacked any women in his governing inner circle, and on Wednesday top campaign officials were mourning that lack of diversity in the mix of advice the president received.

"The place where we really got killed was in the suburbs, where Republican women left us," said a Bush campaign official, who believes it was a mistake, given the party's unyielding anti-abortion stance, to veto the family leave bill.

There was a debate within the campaign in September about whether the president should re-

verse his position and sign the bill, which would have required employers to give leaves to workers for medical and family emergencies.

Margaret D. Tutwiler, Mr. Baker's chief aide, argued in favor of a reversal and Mr. Darman, Boyden Gray and Mr. Quayle argued against the idea because it would give Mr. Bush an appearance of wavering. Mr. Baker was uncharacteristically undecided.

Everything about the Republican campaign seemed three beats behind a strange phenomenon known as the fact that Mr. Baker was considered "the gold standard for running presidential campaigns in this era," as James Carville, the Clinton strategist, said Wednesday.

Mr. Baker, who deeply resented the move and loathed the prospect of being a handkerchief once more, waited until the last minute to move to the White House from the State Department.

Many of Mr. Baker's own aides agreed with Mr. Carville's assessment that the Republican convention was "idiotic," and many high-level Republicans privately pronounced themselves ashamed of the strident tone.

Mary Malinin, the deputy campaign manager, went to the president to complain that the party was getting an image of being "intoler-

ant" and "homophobic," but Mr. Bush seemed surprised that she could say that.

He had handed off responsibility for the tone of the convention to his former aide, Craig Fuller, who felt that a dramatic play was needed to consolidate the disenchanted conservative base. Mr. Baker refused to become engaged in the convention planning, only reviewing Mr. Bush's speech, because he took a brief vacation in Wyoming after efforts in the Middle East.

After the convention, Mr. Baker was never able to focus Mr. Bush as tightly as he had in 1988. Even campaign officials who admired Mr. Baker said it was clear to everyone inside that he had lost his edge, and was much more indecisive and not sure of his own judgment.

Mr. Baker, who had spent much of the last four years out of the campaign and relying on old instincts that were now out of sync, his campaign staffers said, adding that he was slow to pick up on the Perot-inspired revolution in media.

Mr. Bush, a senior campaign official said, "waited way too long to go the Larry King route."

Mr. Baker decided to hide in the White House, avoid the press that he had once courted so brilliantly. "He wasn't sharp, he wasn't bouncing up every day by dealing with press questions," a campaign official said.

With Mr. Baker working hard but in a slump, fearing he would end up on the cover of a magazine with James Carville, as though he had never been a statesman, Mr. Bush was left more to his own devices.

The president did not keep

had no agenda, no money, no strategy, no message, no ideology, no world view and no explanation of his mysterious role in the Iran-contra scandal.

Unlike Mr. Reagan, Mr. Bush had no fixed principles to fall back on, because his ideology was friendship. So he was only as good or as bad as the advisers he relied on, and many of his advisers in the last four years have been remarkably inept and unpopular.

His advisers plan from the beginning was to maintain the status quo on domestic affairs and only to do enough to have something to run on in 1992. The plan for foreign affairs was not much more ambitious before war in the Gulf intervened, and Mr. Bush's advisers dubbed his initial policy toward the Soviet Union "status quo plus."

In the fall of 1990, after Congress had passed the Americans with Disabilities Act and amendments to the Clean Air Act, John H. Sununu, Mr. Bush's abrasive chief of staff, said that as far as the Bush administration was concerned, Congress could take the rest of the president's term off because "there's not a single piece of legislation that needs to be passed."

After the Los Angeles riots last spring, when Mr. Bush did not seem to be able to react in any substantive way and had rejected White House officials' suggestions that he create a sort of civilian conservation corps that would help rebuild the inner cities, an administration official sighed: "He can't even fake it."

As he has often done in his career, Mr. Bush thought he could throw red meat to the conservatives and reassure the moderates, without either group catching on. Just so, he would sometimes wear a red

## ★ TRANSITION VOTES ★

### He's 'Nice,' Germans Say; Yeltsin Wants Talks

WASHINGTON — Foreign reaction to Bill Clinton's election continued to emerge in varied form. A sampling:

• A poll indicated that 86 percent of Germans believe Mr. Clinton would be good for their country and also would revive the U.S. economy. Nearly nine of every 10 described Mr. Clinton as "nice" or "very nice," the Woburn Institute said.

• President Boris N. Yeltsin of Russia proposed a summit meeting with Mr. Clinton to set "a new agenda for Russian-American cooperation."

• Iranian newspapers said Mr. Clinton's domestic priorities would force him to reduce U.S. involvement overseas, and one urged him to take a softer line on Iran, the official Iranian press agency reported.

• Prime Minister Pierre Bédegovoy of France, a Socialist, said that the election was a rejection of the policies of the 1980s and that American voters wanted government to take a stronger role in the economy. (AP)

### Republicans Did Their Best to Smear Clinton

WASHINGTON — President George Bush and his team are widely accused of having misunderstood the electorate's yearning for a broad discussion of significant issues. As Jack Kemp, secretary of housing and urban development, put it, voters this year "want to know what you are for, not what you are against."

But Mr. Bush's campaign advisers spent far more effort trying to focus unfavorable attention on Mr. Clinton. In one such case, with little more than a week to go in the campaign, reporters received repeated calls from officials in the Bush campaign or other Republicans offering the same basic story: Mr. Clinton was having an affair, the Secret Service knew about it, and someone should write a story about it.

On Monday night, less than 24 hours before voting began, Representative Guy Vander Jagt, Republican of Michigan, held a news conference in Omaha, Nebraska, and went public with the allegation. No one covered the Vander Jagt assertion except for the local television affiliate, but the congressman sent media outlets throughout Washington a transcript of the press conference.

In response, a spokeswoman for the Secret Service said the Vander Jagt remarks were "unfounded."

The whispering campaign was preceded by others questioning Mr. Clinton's version of his draft record, his health, his marriage and his patriotism. The president, in a move widely believed by Republicans to have backfired, suggested darkly in one interview that Mr. Clinton's visit to Moscow was a Rhodes scholar was suspect. He frequently raised questions about Mr. Clinton's draft history. About the only subject the president himself did not discuss was Mr. Clinton's marriage. But his surrogates did. (WT)

### For 'The Quayle Quarterly,' No More Material

BRIDGEPORT, Connecticut — The presidential election result means the end of 'The Quayle Quarterly,' a magazine that has thrived on a steady diet of Dan Quayle's gaffes. The review will shut down when the vice president makes his career change, but not before a farewell issue with headlines such as "Democracy Without Dan?" and "Get a Job." (AP)

### Quote-Unquote

Harry McPherson, an elder of the Democratic Party: "I'm struck by the parallels to 1960. Congress kept passing bills that Eisenhower vetoed. Congress couldn't override. When Kennedy came in, he gave that glorious speech on the jobcock Capitol steps, then went to work passing bills from the previous year. We may see that again."

### Away From Politics

• Smuggling charges have been dismissed against a Malaysian tour guide accused of trying to bring two illegal immigrants into the United States in a group of two dozen travelers. The guide, Chai Khong Chong, and the travelers who were detained Oct. 21 at Logan International Airport in Boston, were ordered immediately deported by a U.S. magistrate.

• Openly gay, sexually active people cannot serve as a minister of any of its 11,500 churches, the highest court of the Presbyterian Church (U.S.A.) has ruled. The surprise ruling nullified the hiring of a lesbian as a co-pastor of a church in Rochester, New York.

• In a debate on the government's ability to curb unpopular or even dangerous religious practices, the U.S. Supreme Court appeared likely to declare a ban by the city of Hialeah, Florida, on animal sacrifice unconstitutional. The justices were seemingly persuaded by the City of Hialeah's defense of a law that forbids the ritual killing of animals while permitting the ending of animals' lives through hunting, commercial slaughter, pest control and euthanasia.

• A leading AIDS researcher is under investigation by Defense Department officials after accusations that he may have overstated the therapeutic effect of an experimental vaccine, a protein known as gp-160, against the disease. The researcher is Dr. Robert Redfield of the Walter Reed Army Institute of Research.

• Being overweight as a teenager can lead to life-threatening chronic disease in adulthood, even if the youngster later sheds the excess weight, according to new findings from a study spanning more than 60 years.

• Five homeless men were arrested in connection with the beating of an ABC News reporter, Gary Shogren, 53, during a robbery, the police said in Santa Monica, California.

• The Coast Guard has suspended its active search for the 72-foot Atlantic, a trawler from New Bedford, Massachusetts, that disappeared last week with his crew of five southeast of Nantucket Island.

• Felicia Morgan, 18, who claimed she was suffering from "urban psychosis" caused by inner-city violence when she fatally shot a girl for her leather coat, was not insane at the time, a Milwaukee jury found. (AP, NYT, UP)

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# VOTE '92 / WORKING WITH CONGRESS



President-elect Bill Clinton with his mother, Virginia Kelley, in Little Rock, Arkansas.

## Legislative Barons Will Test Clinton's Agility

By Helen Dewar  
Washington Post Service

WASHINGTON — When President-elect Bill Clinton comes to grips with the 103d Congress next year, he will find neither the intense political gridlock that gripped Washington during the Bush administration nor a compliant legislature ready to respond to his every command.

Instead, Mr. Clinton is likely to be confronted by something in between — a largely Democratic but free-wheeling group of legislators who hunger for results but chafe at discipline, unaccustomed to dealing with a president of their own party and used to calling the shots for the party themselves.

The experience will test his agility as he tries to satisfy the legislative barons who control the fate of his programs without ceding them the power to dictate every clause.

A student of history, Mr. Clinton will remember Washington's last all-Democratic government in the late 1970s, when President Jimmy Carter failed to heed the touchy sensitivities of the barons and paid for it for four years.

Nor will the Democrats be his only concern. The last votes were hardly counted before Republicans such as the Senate minority leader, Bob Dole, Republican of Kansas, signaled that his honeymoon was likely to be short.

Claiming to represent the "57 percent" majority of Americans who voted for President George Bush or the Independent Ross

Perot, Mr. Dole wished the new president well and then told him he had no mandate, no costais and no excuses.

"It's not going to be all a bed of roses for Governor Clinton," Mr. Dole said. The Democrats' "excuses for gridlock and bad legislation are over," he added. "If they fail, they are the problem, they are the gridlock. Blaming George Bush won't work any more."

**The Democrats' 'excuses for gridlock and bad legislation are over. If they fail, they are the problem, they are the gridlock. Blaming George Bush won't work any more.'**

Bob Dole, Senate minority leader



Mary Highmeyer/The Associated Press

they are the problem, they are the gridlock. Blaming George Bush won't work any more.

Anxious to avoid suggestions that Mr. Clinton could fall into the same traps that ensnared Mr. Carter in his quarrelsome dealings with Congress, Democrats went out of their way to stress the differences they see

between the two. While Mr. Carter failed to consult congressional leaders and his aides gave them short shrift when they called the White House, Mr. Clinton is attentive to legislators' needs and likes the give-and-take of lawmaking, they said.

And Mr. Clinton can learn from Mr. Car-

gress, the Senate majority leader, George J. Mitchell, Democrat of Maine, said during a briefing to hail the Clinton election and a continued Democratic majority in Congress.

The House speaker Thomas S. Foley, Democrat of Washington, said in a telephone interview, "I expect the administration will be very positive in working with Congress," starting with meetings soon to coordinate legislative agendas and strategies for Congress, which convenes in January.

A serious problem, some Democrats agreed, could be the difficulty that many Democrats may find in adjusting to the less powerful and conspicuous role that they will have under a Democratic president after 12 years of ruling the Democratic roost in Washington.

This makes it more imperative for Mr. Clinton and his people to consult key members of Congress before he is inaugurated Jan. 20.

Mr. Foley and Mr. Mitchell said they expected to meet with Clinton transition officials soon to discuss ways of coordinating the Democratic legislative program.

Lawmakers in both houses expect Mr. Clinton to push hard and early with his economic recovery and jobs program, health care and deficit reduction.

Most said that Mr. Clinton must move quickly to nail down the major elements of his legislative program within the first few months of his administration, like President Ronald Reagan did with his tax and budget programs, or run the risk of losing momentum in Congress.

## In Winner's Hands, Elements of a New Coalition

By Thomas B. Edsall  
Washington Post Service

WASHINGTON — Various factions within the Democratic Party that long have sparred with one another are taking credit for Tuesday's presidential victory and for the creation of what many say is the first coalition in more than a quarter century that can produce sustained victories for the party.

One of President-elect Bill Clinton's first political burdens will be to contain the tensions already surfacing among the party's competing factions.

Leaders of the right-center wing said their work pressuring the party toward the political middle was critical to Mr. Clinton's election.

"Our efforts to provide reality therapy for the party were maybe as important as anything that happened to this party because we helped convince the Democratic Party that we had to win the middle class," said Al From, the president of the Democratic Leadership Council.

"Without that, this party would have sailed along," he said, "think-

ing that the only problem was that Michael Dukakis was a bad candidate or a bad messenger, or that if we can only energize our base, we can win."

From the left, the Reverend Jesse L. Jackson contended that Mr. Clinton had won because he campaigned on such themes as investing in the nation's infrastructure

and support for gay rights, health-care overhaul and family leave. And from the self-described progressive wing of the party, an organization called the Citizens Transition Project has produced a 1,200-page document, "Changing America: Blueprints for a New Democracy," that details a proposed administration agenda, including a \$60 billion-a-year capital investment program, continued low interest rates, and changed labor-management relations.

The core of the Clinton campaign was the development of political strategies designed to bridge the difference among these fac-

tions. For a generation, since the outbreak of urban rioting and anti-Vietnam War protests in the 1960s, the Democratic Party has been split by ideological, cultural and racial fissures that have fragmented support for its presidential candidates.

Jimmy Carter's 1976 victory — before Tuesday, the only Democratic presidential victory since Lyndon B. Johnson's landslide in 1964 — resulted largely from public disenchantment with the Republican Party after the Watergate scandal and was not based on coalition-building within the party.

In this context, the Clinton campaign was the antithesis of Mr. Carter's anti-politics campaign. Mr. Clinton has been determined to rebuild the Democratic Party, not reject it as Mr. Carter largely did.

Surveys of voters leaving polling places on Tuesday suggest that Mr. Clinton made significant strides in reviving voter identification with the party. But Mr. Clinton still must demonstrate that he can transform a liberal-to-center, bira-

cial political electoral coalition into one that can govern.

To win the election, Mr. Clinton focused on the deteriorating economy as a theme to unite disparate classes and interests, and fused that with a rhetoric honoring the work ethic and challenging the welfare system. The rhetoric was designed to restore Democratic loyalties among white working-class voters.

The success of Mr. Clinton's strategy is apparent in the numbers. Exit polling by Voter Research & Surveys showed a black-white presidential coalition with a preponderance of voters in the working class and lower middle class.

Mr. Clinton did not win a plurality of white voters, although his 39 percent was virtually a statistical tie with President George Bush's 41 percent. That represents a major gain for the Democrats. The Democratic presidential nominees in 1984 and 1988, Walter F. Mondale and Michael S. Dukakis, were decisively rejected by white voters.

At the same time, Mr. Clinton maintained traditional Democratic

margins among black voters and piled up almost equally massive margins among Jewish voters. He also won the suburban vote.

Mr. Clinton carried every income group earning \$50,000 or less, compared with Mr. Dukakis and Mr. Mondale, who were crushed among lower-middle-class voters with family incomes of \$25,000 to \$35,000.

If Mr. Carter's victory was based on the fluke of the Watergate scandal, Mr. Clinton's election marks the first Democratic success in the ongoing struggle, begun in 1968, based on the competition between a Democratic Party trying to build a coalition based on economics and a Republican coalition energized by such issues as crime, busting affirmative action and family values.

In the flush of victory, major Democratic factions are prepared to take a highly conciliatory approach to the Clinton administration. This surface peace is sure to come under strain as Mr. Clinton begins to make legislative proposals and major appointments.

## AGENDA: Clinton to Unleash a Flurry of Initiatives

(Continued from page 1)

rooms and other subsidized perks for top officials.

• Requiring political appointees to sign a pledge barring lobbying of their government agencies for five years after they leave office. The limit now is one year.

The Clinton team says it wants Congress to pass within the first 100 days a combination of tax incentives and public works spending to stimulate the economy — which perhaps would mean delaying at first his campaign pledge to cut the deficit. As for other major legislative aims — health-care reform, welfare reform and job training — Clinton aides have given themselves a 100-day deadline to submit legislation to Congress in these areas but do not expect passage that early.

Mr. Clinton's friends say he talks about keeping his legislative agenda broad enough to take full advantage of his mandate for economic change, but lean and focused enough to avoid clogging the House Ways and Means Committee with so much legislation that nothing gets accomplished.

Nevertheless, one friend recalls asking Mr. Clinton in June which transition model he would follow: Ronald Reagan, who in his first 100 days focused on one big proposal for budget and tax reform — and got it through — or Jimmy Carter, who pressed ahead with 15 equal proposals so complex and controversial that virtually none succeeded.

Mr. Clinton said that of course he would follow the Reagan model, and then ticked off a laundry list of initiatives he would propose.

"Sounds to me more like Jimmy Carter," his friend told him.

Mr. Clinton's immediate priority will be to choose the key members of his economic team: chief of staff, director of the Office of Management and Budget, chief of his Council of Economic Advisors, secretary of the Treasury and White House liaison with Congress, which will be a critical job in his administration.

Already, rivalries are building. During the last two weeks of the campaign, staffers at the Clinton-Gore campaign headquarters in Little Rock, Arkansas, were playing a game that could best be called: "Did-you-see-who-just-walked-by-with-his-resume?" It was usually said in disgust, because as the Clinton victory became more certain, the young staff at the campaign headquarters became more resentful of the job seekers who haunted Little Rock like apparitions from the Democratic past.

For the first time since the start of the Cold War, the fight for 16 cabinet posts and 8,500 other political appointments is being fought among generational than ideological lines. Officials who served in the middle ranks of the Carter, Johnson and even Kennedy administrations, bursting with ambition after 12 years in the wilderness, are already clamoring for high-level Clinton administration jobs.

But there is also a new generation of Democrats, men and women in their 30s and 40s, who think it is their turn, and resent having to compete with the party elders.

And there are the "Friends of Bill," or F.O.B.s, an informal network of people who have known

Mr. Clinton for many years and share a lot of the same basic instincts — a group that includes Robert Reich, the Harvard economist; Roger Altman, an investment banker and former Treasury official; Ira Magaziner, a consultant; Eli J. Segal, a Boston businessman, and Susan Thomases, a lawyer and campaign aide.

The dilemma is that while Mr. Clinton is clearly committed to bringing in new blood, "You also don't want people who don't know where the bathroom is, because there is so much to be done so quickly," as one adviser put it.

Whomever Mr. Clinton chooses, the appointments will almost certainly have to be accompanied by bureaucratic restructuring, to reflect Mr. Clinton's appreciation for the link between politics and governing.

As for the longer-term policy initiatives, the top priority will be an economic stimulus package, which Mr. Clinton and his aides say they

But while Mr. Clinton and his aides insist that they will not go to middle-class taxpayers to finance economic stimulation, they have not ruled increasing the deficit in the short term.

"The question," said one economic adviser to Mr. Clinton, "is if the economy is still dead in the water in January, will we need some sort of net stimulus, something that is not just revenue neutral."

"It could be some additional infrastructure spending, it could be a higher investment tax credit or it could be more generous credits for companies which create new jobs over a historical baseline."

Such a package, he said, "would have to be wrapped in a legislative deal that would ensure that once the economy is back on track the budget would get cut by an equal amount."

"I think the stock market is already anticipating this," he said. The president-elect's fear of bloating the deficit, they say, is counter-balanced by his concern that his campaign promises have created expectations for a miraculous economic fix.

"The big issue out there is what should be in the first legislative package," said Mr. Reich, a key economic adviser to Mr. Clinton during the campaign. "The sub-issue is, how do you handle expectations? The problems are deep and longstanding, and therefore easy, quick, visible successes will be hard to come by."

Some advisers have suggested that the president-elect do an "audit" of the nation's economic condition as of Jan. 20th. That is, lay out in a nationwide broadcast with graphs and charts in simple terms exactly where the economy is, or as Clinton aides contend, exactly what a mess 12 years of Republican rule have left them. This audit, one aide suggested, would then serve as a baseline to measure accomplishments or failures.

Another worry, Clinton aides seem to share is that since a lot of the new spending in any economic growth package would go into public works projects, the possibilities for a pork-barrel feast — doling out projects as political rewards — are enormous.

"We have to think very carefully about where money will go without looking foolish," said a Clinton adviser. "That means making sure that the projects are high priority in anybody's book. Otherwise people are just going to say: 'There go the Democrats. They came back and started throwing money everywhere.'"

Whatever happens, once the economic-jobs program is on its way, Clinton aides say they expect his proposals for health care and welfare reform, improving the environment, and college tuition in return for government service all to be broached with Congress in some form or another during his first 100 days.

But officials say they do not expect these to be passed that fast. That would also apply to Mr. Clinton's proposals for a family leave law, and campaign finance reform.

Money is part of the problem, but even more important is the lack of consensus on how to approach controversial issues like health care and welfare reform.

## Mexican Vote-Watchers Learn From Chicago

Washington Post Service

MEXICO CITY — Mexican election officials saw Chicago's political machine in action, seeking parallels between the experience of a city long dominated by Democrats and that of Mexico, where one party has ruled for 62 years.

"We found remarkable resemblances to Mexico," said one of the team after the voting on Tuesday. He said the group was investigating several aspects of Chicago politics, including "looking at the way a single-party machine assures the loyalty of its followers."

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# AIDS Blood Inquiry Widens in France

## Collections Continued From Prisons Despite Risk of HIV Contamination

By Barry James  
International Herald Tribune

PARIS — The heavy doors of La Santé prison in Paris have swung shut on the former head of the national transfusion service for distributing AIDS-tainted products, but France is again in the midst of a blood scandal.

This time it is the disclosure that blood was collected from prisoners long after it became known that all sectors of the population, they were among those most at risk of having the virus that causes AIDS.

Blood was still being collected from one prison as late as last year, according to an official report, which bluntly accuses the Ministry of Health of "falling in its duty."

Political analysts said the resurgence of the scandal will prove highly damaging for the Socialist government as it prepares for parliamentary elections in March.

Michel Garretta, the former di-

rector of the transfusion service, began a four-year sentence last week for allowing the distribution of untreated blood-clotting agents in 1985 after it became known that they were likely to be AIDS-contaminated. As a result, more than 300 hemophiliacs treated with the product have died.

Dr. Garretta has maintained that although he committed "errors," he did not commit them alone. There were indications that he will try to use the media to pin blame on the political appointees who were nominally his superiors, including former Prime Minister Laurent Fabius, former Health Minister Edmond Hervé and former Social Affairs Minister Georgina Dufour.

Dr. Garretta unsuccessfully sought a court injunction to prevent the publication on Thursday of a telephone conversation between his lawyer and a Paris journalist in which such a plan appeared to have been discussed.

In light of the French experience, other countries are beginning to ask to what extent they were touched by the problem of contaminated blood in the mid-1980s.

In Athens, the health minister, George Sourlas, said Thursday that 14 state hospitals had failed to screen blood for HIV antibodies until mid-1987, although the ministry ordered such screening in 1985. Earlier, a prosecutor opened an inquiry into allegations that some hemophiliacs may have become infected as a result of receiving a clotting agent supplied by the French pharmaceutical maker Institut Merieux. The company has

acknowledged that it shipped products until late 1985 that had not been tested or heat-treated to destroy the virus.

This was some months after French officials had become aware that the clotting agent, which is made from molecules taken from a large number of donations, was virtually certain to be contaminated.

Denmark on Thursday increased compensation paid to hemophiliacs who received unheated blood products before 1987. The 66 surviving hemophiliacs and the families of 23 others who have already died will receive 750,000 kroner (\$125,000).

According to the official inquiry in France, about one quarter of infected blood in 1985 came from prisoners, who supplied only about 0.37 percent of the total donations that year. The report said the Health Ministry was then fully aware of the fact that blood from the jails was highly likely to be infected because of the prevalence of homosexuality in prisons and the large number of drug addicts there.

Nevertheless, blood donations were accepted from prisoners until 1986 in mainland prisons, until 1990 in Corsica and Martinique and until last year in La Réunion. The Health Ministry even removed from a 1985 memorandum a clause that would have stopped the prison collections. And it was the prison administration rather than health officials who eventually stopped the donations, after prisoners started contracting AIDS.

Since 1985, blood supplies have been tested for HIV antibodies. These, however, do not show up until several months after infection, and the first line of defense is the honesty of blood donors.

The health minister, Bernard Kouchner, who this week introduced a bill designed to minimize the risk of infected blood reaching patients, caused a row in the government by accusing his predecessors of "taxi" and "irresponsibility." Culture Minister Jack Lang, the government spokesman, chided Mr. Kouchner for undermining the principle of ministerial solidarity.

Sweden's Official Rejects Call to Limit Asylum

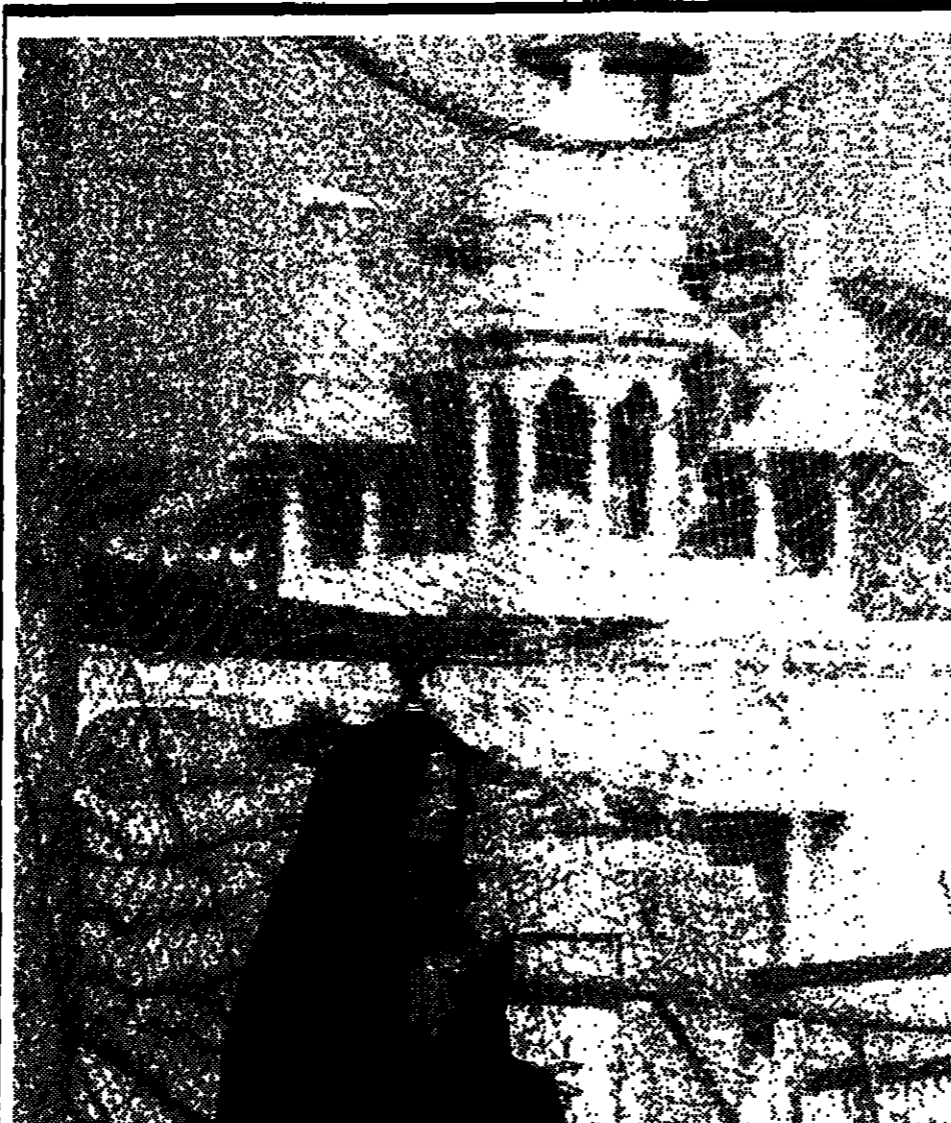
STOCKHOLM — Immigration Minister Birgit Friggebo on Thursday rejected a call to tighten Swedish rules on asylum, saying war and persecution in one country had nothing to do with economic recession in another.

The minister was replying to a joint demand by directors of the Swedish immigration and labor boards to limit asylum to the small number of refugees who fulfill Geneva Convention criteria on refugees, because of economic hardship in Sweden.

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PASSAGE IN INDIA — An elderly woman hurrying past sandals and sitting near a mosque in Srinagar amid a general strike called by Muslim militants in the district of Jammu and Kashmir.

## ASIAN TOPICS

### East Timor Governor Says Troops Should Have Shot More Protesters

East Timor's new governor says Indonesian troops should have killed more pro-independence demonstrators when they fired into a crowd in the former Portuguese colony of East Timor a year ago, an Indonesian magazine reports.

"In my opinion there should have been more people killed," Abilio José Soares told the legal magazine Forum Keadilan. "Why did only that number die? Why not all 1,000?"

Mr. Soares, who took office in September, was a leading advocate of the Indonesian takeover of East Timor after the Portuguese withdrawal in 1975. There was no immediate official confirmation of his remarks, Reuters reported from Jakarta.

Witnesses said that as many as 180 people were killed last Nov. 12 in the East Timor capital, Dili, when the Indonesian Army opened fire. The Indonesian government said 50 people were killed, with an additional 66 missing.

In Australia, Foreign Minister Gareth Evans, commenting in parliament on Mr. Soares's report, said, "They are particularly disappointing coming from someone who is himself Timorese."

### Around Asia

The Japanese Coast Guard will compile a computer data base of the varieties of paint on ship hulls that will enable investigators to identify vessels involved in collisions, a spokesman said. Ships use hundreds of kinds of paint on their hulls, and most can be identified. In most collision cases, ship's paint has proved to be decisive evidence.

Corazon C. Aquino says she has no regrets about her six turbulent years as president of the Philippines, but does not try to hide her relief at returning to civilian life, Agence France-Press reports. After leaving office in June, she made a six-week trip to the United States and Europe. She is working with charitable organizations and writing her autobiography. "I am so relieved," she said. "When they had these terrible floods last Saturday and Sunday, I think, thank God, I am no longer president. I do not have to be responsible for that." As for her presidency, she said, "I am very happy I took up the challenge, that we were successful in restoring democracy and that we were able to transfer power in a very peaceful and orderly manner."

Hong Kong's preferred drink is aged French Cognac, not served neat in classic snifters but in tall glasses, often over ice or mixed with fruit juice or soft drinks. If this is no way to drink fine brandy, wine merchants and restaurateurs are not saying so because, according to the French Trade Commission, Hong Kong ranks first in per-capita consumption of Cognac. Last year, The New York Times reports, Hong Kong consumed 3.6 million bottles of Cognac — more than half a bottle for every man, woman and child in the colony. When Hong Kong reverts to China in 1997, importers are confident that the drinking of Cognac will spread to a huge new market. "The mainland Chinese admire Hong Kong businessmen," said Frederick Yip, a Cognac marketing executive, "and want to copy their ways."

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# Louisiana Holds Man In Japanese Boy's Death

Compiled by Our Staff From Dispatches

BATON ROUGE, Louisiana — A man indicted on a manslaughter charge in the fatal shooting of a Japanese exchange student who knocked on his door dressed in a Halloween costume turned himself in Thursday.

The defendant, Rodney Peairs, was arrested at his lawyer's office and booked at the local jail.

Prosecutors had sought a second-degree murder count against Mr. Peairs, but a grand jury on Wednesday chose manslaughter instead. Mr. Peairs faces up to 40 years in prison if convicted of the single count.

Mr. Peairs, 30, has said he shot Yoshitomo Hattori, 16, because he thought the youth was an intruder.

The student and an American friend were looking for a Halloween party on Oct. 17 when they mistakenly went to Mr. Peairs's house, the authorities said.

They said Mr. Peairs's wife, who opened the door, had been startled and called for her husband, who came to the door with a .44-caliber pistol.

Mr. Peairs shouted "Freeze!" the authorities said, but the youth, who spoke little English, apparently did not understand that Mr. Peairs was telling him not to move and started toward him. He was shot once in the chest.

Governor Edwin W. Edwards of Louisiana called the killing "one of those unfortunate things."

In Japan, however, the public was horrified.

Reports from Japan said many people there saw the incident as a symbol of much that has gone wrong with America.

"The youth's death in the United States was all the more poignant because, like many other young Japanese, he saw America as the most exciting place in the world."

"Young Hattori had always hoped to live in America," said Takashi Watanabe, head of the Japanese branch of the American Field Service, the organization that sponsored the victim's trip.

"I remember that he told me, just before he left Japan, how wonderful it would be, how proud it would make him to say that the U.S.A. was his second homeland," Mr. Watanabe said. (AP, WP)

## WORLD BRIEFS

### Savimbi in Talks on Restoring Peace In Angola After 2,000 Are Said to Die

LISBON (Reuters) — Angola's army chief, General Antonio dos Santos Franca Ndalu, and the Portuguese government have been in direct contact with the rebel leader Jonas Savimbi to get the peace process back on track after a week of fighting that may have cost thousands of lives.

An Angolan diplomat said the death toll from the fighting could exceed 2,000, with more than 1,000 people killed in the capital and at least that many killed in fighting in Lobito to the south, where hostilities did not end until Wednesday. He confirmed reports that UNITA fighters had kidnapped 50 Russians and 20 Brazilians working on a dam project.

Mr. Savimbi is thought to be in his stronghold in the central highland town of Huambo, where he withdrew after rejecting the result of elections in September that gave the ruling Popular Movement for the Liberation of Angola a landslide victory.

United Nations observers have declared the poll free and fair. But in Lisbon, a multiparty committee of politicians led by a Socialist, João Soares, son of President Mario Soares, joined Mr. Savimbi in demanding the vote as a fraud and accusing the governing party of carrying out a "slaughter" of officials and supporters of Mr. Savimbi's National Union for the Total Liberation of Angola.

### Japan Leader Defends Khmer Rouge

TOKYO (Reuters) — Japan's prime minister defended Cambodia's Khmer Rouge guerrillas on Thursday, saying there was no clear evidence they were violating a peace accord. Kiichi Miyazawa told the upper house of parliament that the conditions of the Paris peace agreement on the reconstruction of Cambodia were being met by all parties involved, including the Maoist Khmer Rouge.

Mr. Miyazawa was responding to criticism by legislators over Japan's involvement in UN peacekeeping in Cambodia, following reports that the Khmer Rouge were responsible for rocket attacks and destruction of highways. Japan took part in UN peacekeeping for the first time this year by sending a battalion of mostly engineering troops to Cambodia to build roads and bridges and help monitor a precarious cease-fire.

### Fischer Wins \$5 Million Chess Match

BELGRADE (Reuters) — After two months and 30 games, Bobby Fischer finally clinched his \$5 million chess match against Boris Spassky on Thursday. Mr. Fischer won the series by a score of 10 to 5, claiming the \$3.35 million winner's purse. Mr. Spassky, like Mr. Fischer a former world champion, receives the remainder of the \$5 million, the largest chess prize ever.

### GAME 30 KING'S INDIAN DEFENSE

|               |               |               |               |
|---------------|---------------|---------------|---------------|
| White Spassky | Black Fischer | White Spassky | Black Fischer |
| 1. d4 Nf6     | 18. Ne5 g6    | 1. d4 Nf6     | 18. Ne5 g6    |
| 2. e4 g5      | 19. f3 h5     | 2. e4 g5      | 19. f3 h5     |
| 3. Nc3 Bg7    | 20. exd5 h4   | 3. Nc3 Bg7    | 20. exd5 h4   |
| 4. e4 d6      | 21. Kf1 Qd7   | 4. e4 d6      | 21. Kf1 Qd7   |
| 5. Bc4        | 22. Qd1       | 5. Bc4        | 22. Qd1       |
| 6. Bc3 Nbd7   | 23. Rd1+ Bb8  | 6. Bc3 Nbd7   | 23. Rd1+ Bb8  |
| 7. Nge2 c5    | 24. Qe1+ Kf8  | 7. Nge2 c5    | 24. Qe1+ Kf8  |
| 8. h4 h5      | 25. Qb1 Rg8   | 8. h4 h5      | 25. Qb1 Rg8   |
| 9. Ne1 Nc7    | 26. Rg6 Rg8   | 9. Ne1 Nc7    | 26. Rg6 Rg8   |
| 10. Nc3 c4    | 27. h4g6 Kg7  | 10. Nc3 c4    | 27. h4g6 Kg7  |
| 11. e4        | 28. Re5g6     | 11. e4        | 28. Re5g6     |
| 12. Be2 b6    |               | 12. Be2 b6    |               |
| 13. g4 hg     |               | 13. g4 hg     |               |
| 14. f5        |               | 14. f5        |               |
| 15. h5        |               | 15. h5        |               |
| 16. Nc4 Nc5   |               | 16. Nc4 Nc5   |               |
| 17. Nc5 Bc7   |               | 17. Nc5 Bc7   |               |

FISCHER

SPASSKY

Final position

### Hussein Says He Needs Medical Tests

AMMAN, Jordan (Reuters) — King Hussein, telling his subjects that Jordan would live on after he was gone, said Thursday that he would have to undergo more tests in the United States to confirm that he has been cured of cancer.

In an otherwise allegorical speech to the nation, his first since returning home to a tumultuous welcome in August from surgery that removed a tumor and a kidney, the king, 56, tackled the issue of his health head on.

"I find it incumbent on me to tell you that I will have to travel, at intervals determined by my physicians and beginning shortly after a month from now, to the center where I was treated," he said. "This will be for the purpose of undergoing tests to confirm that I have — God willing — been cured."

### Correction

Because of mechanical error, a statement in an article about Asian reaction to Bill Clinton's victory was misattributed in Thursday's edition. The prediction that "We're going to move to some sort of managed trade regime" was made by Robert M. Orr, director of the Institute for Pacific Rim Studies at Temple University in Tokyo and an adviser to the Clinton campaign on Japan.

## TRAVEL UPDATE

Red Square in Moscow has been closed to the public for repairs and only the area around the Lenin mausoleum was accessible to a limited number of visitors. On Tuesday, the Izvestia daily said the work would take about two weeks. (AFP)

Angry truckers caused traffic chaos in Rome on Thursday when they blocked the central Piazza Venezia with around 100 trucks to protest job losses. The truckers, who work in the quarry industry in the central Lazio region, are demanding that regional officials scrap plans to close dozens of unauthorized quarries around Rome, a move which they say would affect their livelihood. (Reuters)

## New Revelations Widen Tokyo Political Scandal

By James Sterngold  
New York Times Service

TOKYO — Prosecutors dropped a bombshell Thursday in Japan's latest political scandal when they said that seven top officials of the governing party had offered as much as \$25 million to persuade the head of a rightist group to halt mocking verbal attacks that were preventing the party's officials' chosen candidate from becoming prime minister five years ago.

The prosecutors, who made the allegations in court, said the hush money had been rejected.

But they had disclosed earlier that it ultimately took the intervention of one of Japan's most powerful mobsters to silence the rightists' blaring sound trucks, and the new allegations threatened to engulf much of the Liberal Democratic Party's leadership in the scandal.

The allegations came at a time when the party's largest faction is riven by a power struggle that could paralyze the government.

Among those mentioned by the prosecutors on Thursday was Keizo Obuchi, recently selected to head the faction amid calls for new measures to clean up Japan's badly tainted political process.

There was no suggestion by the prosecutors that the seven politicians had broken the law by offering money to the rightists.

Left open was the question of what the gangster, Susumu Ishii, ultimately had to offer the rightists — or to threaten them with — when he intervened on behalf of the Liberal Democratic leader, Noboru Takeshita.

Prosecutors said that in 1987, Shin Kanemaru, the Liberal Democratic kinsman who was forced to resign from parliament and his party last month, had approached the rightist group, Nippon Kominto, through an intermediary and offered \$3 billion yen (\$24.5 million) if they would stop.

The prosecutors said that Mr. Kanemaru was told he would have to deliver the cash himself, and that he refused to do so.

Mr. Obuchi, Mr. Kanemaru and the other politicians mentioned on Thursday denied the allegations.

## Calcutta Hoping a Bridge Will Help Pave the Way for a Brighter Future

By Sanjoy Hazarika  
New York Times Service

CALCUTTA — Every evening, thousands of Calcuttans travel long distances to view with pride the newest acquisition of this city: a giant cable bridge that commands a sweeping view of a city known for its mix of squalor and wealth, grime and sophistication.

But within days of its high-profile inauguration by Prime Minister P. V. Narasimha Rao in October, the bridge got the kind of hiccup that Calcutta's people are familiar with: the computers at the toll gates stopped working. Within minutes, the bridge was in chaos, packed with horn-blowing drivers and motorcycle riders revving their engines impatiently while policemen and toll officials tried to restore order.

The incident was representative of the transportation problems familiar to the major Indian cities, where overpopulation strains transport and creates major bottlenecks.

The word Calcutta has become a byword for squalor, partly because of the familiar sight of tens of thousands of people sleeping on its sidewalks every night. The city's infrastructure is inadequate, leading to brownouts that are becoming less serious but are still frequent.

Added to these difficulties is the growing air pollution in the city. A thick pall of soot from industrial and vehicle emissions hangs over its busy central sector, enveloping its inhabitants and increasing the number of respiratory ailments.

But some things, like the bridge, show the city's improvements.

In one of Calcutta's major recent successes, the local administration built a small but clean and efficient network of subways in the mid-1980s that carry thousands of commuters over short distances every day in clean railroad coaches for fares as low as seven cents. It is known as the Metro, on which commuters watch popular Hindi-language films on closed-circuit television sets. The city is now trying to extend the network.

But much of the vehicular congestion in some areas is being caused by efforts to ease the burden.

In crowded business districts, traffic crawls forward over uneven stretches, restricted by construction work in the middle of the road. Laborers also toil underground building the railroads that future Metro trains will run on.

The transition will mean the death of the slow-moving, stately tram, one of Calcutta's most familiar sights, city officials say. The government-owned tram services no longer pay their way but instead disrupt traffic.

They are to be replaced by the underground commuter system and more buses, officials said. Workers who will lose their jobs are to be adequately compensated.

"The trawneys are sitting on prime land," a businessman said. "Just auctioning the real estate will fetch huge sums and enable the city to improve its services."

The new bridge over the Hooghly River is part of the city's campaign to ease the pressure on the old Howrah Bridge, built during the British Raj, that is packed with rickshaws and pedestrians, vehicles, trucks and trams. It is also to speed the flow of traffic between Howrah, an industrial city on the other side of the Hooghly, and Calcutta.

The new bridge is now open to light traffic, like motor cars and motorcycles. It opens to trucks and other heavy traffic this month.

This is the second bridge to span the Hooghly between Calcutta and Howrah. Planning for it began more than 22 years ago, but frequent delays caused by changes in designs and rising costs slowed the construction.

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INTERNATIONAL Herald Tribune

A Proven Winner So Far

First there were all the primaries he couldn't win. Then, when he began winning them, there was the nomination he nonetheless couldn't get because the party was uneasy about him and he had, self-evidently, a fatal "electability" problem.

Now that he is president-elect, what could be left? Well, he has no mandate, it is said, owing to the fact that he came away from the three-way race with less than a full 50 percent of the vote.

But there is no reason to doubt that Bill Clinton and Al Gore will make these choices, or to hope that they will be unable to translate their electoral victory into political influence in Congress.

George Bush was graceful and gracious in his concession remarks. It was reminiscent of his first press conference, four years ago, as president-elect himself.

Ten Reasons to Feel Good

Beyond all the political facts and figures — what Admiral James Stockdale decries as "all of the little stinky numbers" — Tuesday's election evoked a whole new set of feelings, reasons for satisfaction, and not just for Democrats.

Lines: All those people huddled under umbrellas outside New York City precincts gave a reliable clue to remarkable voter turnout everywhere.

Television: The four networks deserve unstinting praise for threading a careful path between sensationalism and censorship.

Women: Did it make sense for Mr. Quayle to pick a fight with a television character about to become a single parent?

Language: What a joy it was early Wednesday to listen to victory statements from two candidates who think and talk in complete sentences.

Booze: Something odd happens to Mr. Bush when he smells into "campaign mode." His good manners fall away and he stands revealed as Nastysman.

Demographics: In his last two years, Mr. Bush played politics with racial restraint. He used his plan for school choice, giving money to private and parochial schools, as a way to divide Catholics and blacks.

the nastiness and false insinuations that had gone before. In all the commentary as to the cause of Mr. Bush's defeat you hardly heard mention of the character of the campaign he waged.

We are aware that the old saying about speaking nothing but good of the politically defeated is in play now. But it seems to us that it is wrong not to at least acknowledge a couple of truths about the Bush campaign — first that it was uncommonly personal and mean-spirited, and second that the techniques didn't work.

This was George Bush's problem, the one that harmed him finally much more than it harmed his opponents. It was not just that he lacked some essential elements of a genuine program or that he chose to speak little about the one he had.

Among the comfortable distortions being put about just now is the one that holds Ross Perot somehow responsible for introducing a note of seriousness into the campaign. Not true — not even with regard to Mr. Perot's supposed strong suit of deficit reduction.

George Bush was graceful and gracious in his concession remarks. It was reminiscent of his first press conference, four years ago, as president-elect himself.

leadership by President Sisco-and-Dice. Mr. Clinton promises to become President Unifirst, a welcome outcome for all Americans who have been made to feel excluded.

Cities: It seems like a century ago that anyone in the White House understood or cared about the poorhouse burdens borne by the nation's cities.

This election is a classic call for our country to face — problems too long ignored — from AIDS to the environment, to the conversion of our economy from a defense to a domestic economic giant.

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Jobs and the Deficit: Handling Both Won't Be Easy

WASHINGTON — Like John F. Kennedy, his political idol, President-elect Bill Clinton now must make good on a promise to "get this country moving again."

But Mr. Clinton faces a much more difficult task than did Mr. Kennedy: He must grapple with another, and contradictory, promise: to deal with the huge budget deficit.

To rejuvenate the economy, Mr. Shapiro said, Mr. Clinton rejected the conservative way (reducing taxes across the board) and the traditional liberal approach (tax and spend).

Mr. Shapiro pointed out that "there already is a lot of stimulus in the system," with record low interest rates and a Bush projection for a fiscal 1993 deficit \$40 billion higher than the red ink for fiscal 1992.

His economic program, as outlined in his campaign book "Pumping People First," calls for spending increases of about \$220 billion over four years for education and other social programs and for rebuilding the country's infrastructure.

Because Mr. Clinton's estimates of revenue from these tax boosts are clearly too optimistic, his spending program as outlined would boost the deficit by \$10 billion to \$20 billion during the 1993-1994 fiscal year, according to David D. Hale, an economist for Kemper Financial Services.

The real question — and one troubling financial markets — is whether Mr. Clinton will move to expand the deficit in the short term even more dramatically, so as to jump-start the economy. Behind the scenes, Clinton advisers debated that possibility in the last month of the campaign.

Mr. Clinton himself has given no signal that he will do anything except put into effect the economic program on which he campaigned, which included a strong commitment not only to enlarge the deficit but to halve it in his first term.

His close advisers tell me there will be no shift in the economic program unless a radical downturn in the economic outlook emerges, and they see no such change on the horizon.

In his jubilant victory speech, Mr. Clinton took pains to stress that he is a middle-of-the-road Democrat, referring to a "new Democratic Party that would reach out to Republicans and independents as well."

Some say Japan should put these small islands aside and help Russia rebuild.

(until the end of World War II) recognized the islands as Japanese.

Gregory Clark ("The Kurils' Backwash Hits Asia's Shores," Opinion, Sept. 15) asserts that Western support for Japanese territorial claims, voiced at this year's Munich economic summit meeting, contributed to Mr. Yeltsin's postponement.

In fact, Japan proposed on Aug. 3, 1955, the return of the four islands, and the holding of an international conference to determine the sovereignty of South Sakhalin and the Kuril Islands.

At closed-door hearings of the Supreme Soviet of the Russian Federation in July, the Russian Foreign Ministry itself submitted documents stating its position that "in a strict sense, Russia has not established legal rights to the four islands."

The writer is president of the Japan Forum on International Relations Inc., and professor of international politics at Aoyama-Gakuin University. He contributed this comment to the International Herald Tribune.

conversation from Little Rock, Rob Shapiro, who runs the think tank associated with Mr. Clinton's centrist Democratic Leadership Council, stressed that Mr. Clinton would stick to his pledges on the deficit.

To rejuvenate the economy, Mr. Shapiro said, Mr. Clinton rejected the conservative way (reducing taxes across the board) and the traditional liberal approach (tax and spend).

There are scattered signs that the credit crunch is easing, and one hears hints in Washington that the Federal Reserve, which hesitated to monkey around with interest rates during the election, will lower them at least once more, probably in December.

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LONDON — Three clusters of issues in the Asian policy of the United States need prompt attention.

First, there is a view in Asia that Bill Clinton will be more protectionist in trade policy than George Bush has been. If so, East Asian countries that have large trade surpluses with the United States will be hurt.

However, the Clinton campaign talked far more about a "national competitiveness strategy" than about protectionism. If Mr. Clinton is serious about a fundamental restructuring of the U.S. economy and adopting more of the East Asian model of government intervention in support of key industries, it may be easier to resolve trans-Pacific trade disputes.

When it comes to the "structural impediments initiative" for the U.S. economy, trade will become less free and more managed. Real damage will be done to the open international trading system.

Second, it seems inevitable that a Clinton administration will favor a sharper reduction in American military deployments in East Asia. Troops are more likely to be pulled out of South Korea and even Japan.

Third, there are pressing problems associated with Mr. Clinton's most trade deals with the United States.

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pan and Europe, which supply capital and provide markets for America, are facing economic downturns of their own.

On the other hand, Mr. Clinton stands to benefit from a creeping improvement in the economy, first seen in the surprising 2.7 percent growth rate in the initial report on third-quarter gross domestic product.

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By Gerald Segal

explicit statement on Asia: his declared determination to support Congress in rescinding China's most-favored-nation trading status unless the Chinese government heeds American demands to respect human rights.

Congress has tried to support Hong Kong in its relations with China, but a decision to revoke most-favored status would hurt the colony far more than it would damage China.

A more subtle policy for dealing with China is urgently needed. Pressure on Beijing must be tailored so that it does not damage confidence in Hong Kong.

The U.S. Congress has already toyed with the idea of withdrawing most-favored status for exports by China's state-owned industries.

The message would be sent to Beijing that it has to bargain with the international community — and treat Hong Kong with care.

The writer, a senior fellow at the International Institute for Strategic Studies in London and editor of The Pacific Review, contributed this comment to the Herald Tribune.

1892: Britain Expands

NEW YORK — Information has been received at Washington that the British Government has established a protectorate over the Gilbert Islands.

1917: Voting Under Fire

PARIS — With the air fight progressing overhead, engineers have marked ballots at the front. The votes in the Mayoralty elections of one American railroad contingent in a British sector were taken in the field under heavy German bombardment.

The Team Has to Be Moderate

By Leslie H. Gelb

NEW YORK — While the world waits to hear who will be Bill Clinton's secretary of state, the president-elect is thinking more about strategy than about names.

For the first time since the 1930s, the appointment of the secretary of the Treasury will be more important than the appointment of the secretary of state, possibly even for foreign policy.

The chances of reaching this goal will be nil if he has to squander his days dodging inevitable Republican foreign policy bullets.

All this argues powerfully for a national security team of moderates and conservatives, including Republicans. It also calls for the most experienced hands.

President Bush will leave his successor a world filled with time bombs ready to explode in the ex-Soviet Union, ex-Yugoslavia, the Gulf and China.

Finding the right secretary of state will be a problem. Five hundred Democrats fantasize about being the chief diplomat and believe they are already overqualified for the job.

Some obvious and able candidates, for example, are Representative Lee Hamilton, former Vice President Walter Mondale, and Warren Christopher, the number two at state under Jimmy Carter.

If so, Mr. Clinton will look next at moderate Democrats like Senator Bill Bradley, his standing is good with conservatives.

Defense should be easy. Representative Les Aspin and Senator Sam Nunn both have the necessary expertise and conservative backing.

The CIA would be a natural home for someone like retired Admiral William Crowe, who was chairman of the Joint Chiefs of Staff under Presidents Reagan and Bush.

The post of national security adviser should go to a skilled, moderate pragmatist. The leading candidate continues to be Tony Lake.

Washington attorney, and was head of State Department policy planning for Cyrus Vance.

Liberalism would be in no position to cry foul. These are the very issues they have rightly been fighting to place at the center of world politics for the last 15 years.

Mr. Clinton has little direct familiarity with national security personalities. He will therefore rely heavily on Al Gore, who knows them all, and well.

May the force be with these two young knights of bright countenance on their journey. With amiable high, the honeymoon is almost over.

1942: Victory in Egypt

LONDON — [From our New York edition:] The Axis army in Egypt "is busted and virtually helpless" and is being subjected to the grimmest kind of slaughter in a narrow trap along the Mediterranean coast.

It is impossible to be too optimistic," he said. The official estimate came a short time after it had been suggested that the triumph in Egypt "is the turning point of the war."

1917: Voting Under Fire

PARIS — With the air fight progressing overhead, engineers have marked ballots at the front. The votes in the Mayoralty elections of one American railroad contingent in a British sector were taken in the field under heavy German bombardment.

OPINION

No Tears for Bush & Co., Nor Joy for Clinton Inc.

By William Safire

WASHINGTON — With reporters on campaign beats covering the reception of returns in Houston and Little Rock, and with the Washington editors up in New York putting together the election issues, on election night the New York Times bureau here was like a morgue.

Seeking human political contact at a historic moment, I walked one block east to watch the returns in the office of Lane Kirkland of the AFL-CIO. We differ on economics, agree on foreign affairs, but in this election we were curiously aligned: Lane was a Democrat supporting Bill Clinton, I was a Republican opposing George Bush.

We are not happy about the Clinton plurality (although Bob Dole, the new Republican top dog in Washington, must be secretly delighted). Instead, we have a sense that the White House had become occupied by occupants. They were not "exhausted volcanoes," in Disraeli's phrase about Gladstone, because they were never true volcanoes — but they were exhausted.

The excuse for single-termhood is that the economy did not recover in time. But that is just part of it. Strategically, the Bush entourage missed history's boat in the Soviet Union and China, was engulfed by error in the Gulf, and not until the last minute tried to make the case for a coherent conservative domestic policy.

Tactically, in the campaign, the tardy James Baker botched the convention by romancing the hard right. Then he blew the debate negotiations, preferring to appease Ross Perot and use him as a buffer, rather than freeze the billionaire out and deal directly with the president's Democratic challenger.

That is why some of us crossed over and why the Reagan Democrats went home or walked off to gold-plated protest. And it explains the curious lack of a letdown in watching the president concede: our letdown had come months or years before.

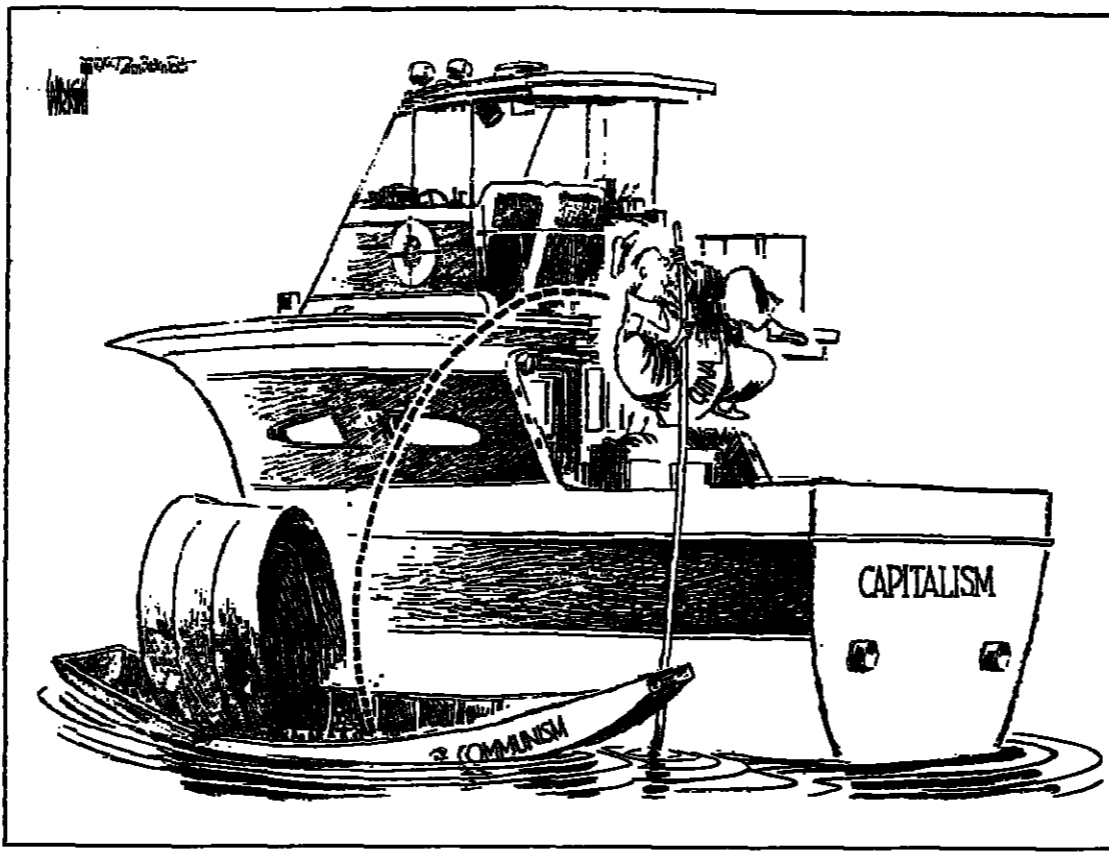
With both the White House and Congress in the hands of the Democrats, what now for the ideological homeless? Conservatives have to do more than oppose, grumble, view with alarm and drag a foot. We will lie down and bleed awhile. We will retreat to the think-tank mountains and op-ed marathons to cook up a new-old philosophy that exalts individual freedom and national strength and public rectitude. With the advantage of being in opposition, we will build a new movement that can stick together without the glue of anti-communism.

If the Clintonians advance prosperity at home and human rights abroad, we will learn from them; if they fall out over the spoils of office or revert to budget-busting, redistributive type, we will hold them accountable.

But wait: Each new administration is entitled to a honeymoon period — a time to plan a transition, appoint the new team, present detailed legislation, persuade the people to support their different approach. The Clinton administration deserves no less.

O.K., that's it — the honeymoon is over. The Clinton and Gore "victory" speeches were long-winded and inappropriately contentious, and revealed a pair of stump-loving politicians unwilling or unable to shift from campaigning to governing. If these boxes (good, irrelevant figure of speech) cannot get it together soon, the revived right will be back before you know it.

The New York Times



His Real Character Problem Is This Nation of Whiners

By Charles J. Sykes

MILWAUKEE — Perhaps now that the presidential campaign is over, Americans can talk about the other character issue. Not the character of the candidates but the character of that great mass of annoyance, grievance and blame — the American people.

From classrooms and courtrooms to self-help seminars and television talk shows, Americans have taken up the

MEANWHILE same plaintive cry: Don't blame me. I'm not responsible. I'm a victim.

Men who hurt their backs in silly races in which they carry refrigerators sue the manufacturers for failing to warn them against such activities.

An FBI agent who embezzles \$2,000 from the government and gambles it away in Atlantic City tries to win his job back on the ground that his "compulsive gambling syndrome" is a handicap and therefore protected under federal law.

A school district employee fired for consistent tardiness insists he is the vic-

tim of "compulsive lateness syndrome." Were Walt Whitman to somehow return, he might still hear America singing, but he would have to listen hard to catch the melody over the sound of America whining.

The president-elect inherits a dysfunctional and aggrieved populace, along with national gridlock — the result of an irresistible search for someone or something to blame colliding with unwillingness to accept responsibility.

Voters elect people who promise to cure every ill without ever presenting them with a tab. America's politics thus reflects Americans' lives.

Americans have come to believe that they are entitled to all sorts of self-realization, gratification and fulfillment — without strings, pain or responsibility. Unless Bill Clinton addresses this other character issue, he may find that nation whose compassion is exhausted by the clamor of complaint. It is, after all, the genuine victims of misfortune, discrimination and injustice whose experience is trivialized and ultimately drowned out in this nation of "victims."

According to Aaron Wildavsky, a political scientist, if you add up all the groups that consider themselves oppressed minorities, their number comes to 374 percent of the population.

The increasing tendency of Americans to fragment themselves along the lines of race, sexual preference, gender, ethnicity and psychological infirmities may reflect their sense of the loss of more traditional communal ties — family, church, community.

But rather than defining themselves in terms of a shared culture, these new communities of grievance are animated by a shared conviction that they are victimized — by "heightism," "lookism," "sizeism" or "toxic" parents.

The victim culture is fueled by a desire to redefine inappropriate conduct as disease or "addiction."

The National Association of Sexual Addiction Problems estimates that 10 to 15 percent of all Americans are "addicted" to sex. The National Council on Compulsive Gamblers claims that 20 million Americans are "addicted" to games of chance.

Mr. Clinton may be loath to remind the people that, whatever their expectations, life is often marked by disappointment and limitation.

But he can, perhaps, suggest a moratorium on blame. This does not mean suspending the search for justice, nor does it deny the complexity of society's problems. But it does question how useful it is to focus effort on elaborating grievances and refining excuses, rather than on facing responsibilities.

The writer is author of "A Nation of Victims: The Decay of the American Character." He contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Trouble Without Borders

Regarding "Hurry to Put European Union Back on the Rails" (Opinion, Oct. 28) by Karl Kaiser, Cesare Merlini and Dominique Motet:

The distinguished authors made a very strong case for the European Community as the solution for European crises. But I was struck by the fact that their concerns went no further than the borders of the former Soviet Union. The inability to stop the bloodshed in Bosnia is clearly a problem, but the dead of Nagorno-Karabakh or Tajikistan obviously do not haunt the EC. Nor are residual feelings toward Edward Shevardnadze strong enough to make the war in Abkhazia a European problem.

This approach demonstrates the trend to split the Conference on Security and Cooperation in Europe into a Western zone, where the EC would be responsible for stability, and an Eastern zone, where Russia supposedly could be the guarantor of order. The failure to accomplish such an impossible mission could push Russia into isolation. The dangers of such a development should be obvious.

PAVEL BAEV, Oslo.

The Costs of Peacekeeping

UN Secretary-General Butros Butros Ghali has proposed that United Nations peacekeeping operations be financed within the defense budgets of member states (why not add relief operations as well?). Don't let us forget that the current U.S. defense budget is in the realm of \$700 million per day.

The costs of peacekeeping and relief operations pale in comparison. Peacekeeping equals defense — on a global scale. Emergency relief operations also equal defense — the defense of lives in immediate danger.

Let us not wring our hands over the fact that the United Nations is not now overcoming the tragedies of Somalia, Sudan, the Balkans, southern Africa, and on and on. Rather, let us ask our governments to both let and permit our citizens to begin to get these and many other jobs done, by providing the tools and resources with which to act.

R. G. PATTERSON, Rome.

Radio Free Asia

Regarding the editorial "Asia Democracy Radio" (Oct. 21):

A professionally run radio for Asia should not be limited to totalitarian countries like China, Burma and North Korea but extend also to authoritarian countries like Indonesia, Malaysia and Singapore. Officials in those countries often clamp down on publications like the Far Eastern Economic Review, the Asian Wall Street Journal and your own newspaper.

MICHAEL CHAPLIN, Corsier-sur-Vecvy, Switzerland.

Maigret's Last Case

Regarding "The Curious Case of Georges Simenon" (Back page, Oct. 27) by Katherine Knorr:

Perhaps Simenon would have had a better reputation had he not written any Maigrets. But in the great vast world out there, I feel, as millions of other readers certainly do, that life would be just a little bit sadder had he not done so.

LIEM SOEI LIONG, Thornton Heath, England.

Hounded in Oregon

Regarding "Can a Vote Legalize Hate? Oregon Testing It on Gays" (Opinion, Oct. 29) by Anna Quindlen:

Remember how Rajneeshpuram was hounded in Oregon? Perhaps Pastor Martin Niemöller's famous comment on the Nazis could be rephrased for the Oregon context: "First they came for the Rajneeshes . . ."

MEHRDAD KHONSARI, London.

Calling the Varmints

Regarding "Numbering Lawyers for Identification" (American Topics, Oct. 26):

Raymond Trombadoro of the American Bar Association is quoted as having once compared assigning identification numbers to lawyers to tagging caribou. Well, get on with it! And when that's done, hold open season on the varmints. The herd could use a good culling.

BRIAN J. CAMPBELL, Antwerp, Belgium.

nor his other guests gave loud hoots of happiness at the Clinton victory. He tolerated my small whoop at the victory of Senators Al D'Amato and Arlen Specter. As one who had known 12 long years in the presidential wilderness, he respected the feelings of a Republican watching his side lose — and, even more troubling, who had voted against his side.

I imagine a great many people on the right feel as I do today; not triumphant by any means, but not sorry to see the Bush people go. Twelve years is a long time for any group to be in power, and this bunch was beginning to turn Republicanism sour.

We do not buy the Democratic line about years of greed and jingoism; by and large, the '80s were years of prosperity and global success. But not lately.

The first term, with Ronald Reagan in charge, found guarantees in stopping inflation and, yes, "winning the Cold War." But the second Reagan-Bush term, with its dreamy morning-in-America theme, lost its fervor. The third term, with Mr. Bush presiding, lost its sense of direction.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

GENERAL NEWS

Cars Roll On in Serbia Despite Sanctions

By Blaine Harden

WASHINGTON Post Service BELGRADE — An advertisement this week in a Belgrade newspaper poignantly explained the effect United Nations economic sanctions are having on Serbia.

"People of Belgrade, pump yourselves," the ad said. "A registered trading company dealing in oil products will bring gasoline to your door. Wherever you want it, as much as you want."

For those who prefer the more traditional method of driving a car to a service station, more than 190 private stations have opened across the republic in the last month. The Serbian government is leasing the state-owned stations to private operators, and it asks no questions about the price or source of the gasoline.

Gasoline lines are far shorter than they were before May 30, when the United Nations decided to impose sanctions to punish the Serb-dominated Yugoslav federation for armed aggression in neighboring Bosnia and Herzegovina. Prices are high — about \$7 a gallon — but supply is abundant. So much gasoline is available that market forces have pushed prices down in the last two weeks.

More than five months after the imposition of what was supposed to have been a tough and comprehensive package of sanctions, it is becoming embarrassingly clear to Western governments that they are not working.

The sanctions, which include a ban on most trade, have contributed to a growing economic crisis in Serbia, including soaring inflation and a 60 percent drop in production and have caused severe shortages of such products as heating oil.

But Western diplomats here acknowledge that the sanctions are having the perverse effect of punishing working Serbs with soaring prices while lining the pockets of smugglers who operate with the approval of the Serbian government, led by President Slobodan Milosevic.

"These sanctions are enriching those who are responsible for the policies that caused the sanctions in the first place," said a Western diplomat in Belgrade. "This communist government has turned loose the free market, and it is blowing sanctions out of the water."

A single tanker truck of smuggled gasoline can net a profit of \$40,000 to \$60,000, according to estimates by Western governments.

Hundreds of such trucks are regularly lined up at the Bulgarian border with Serbia, and Western diplomats here say that permission to

cross the border is often obtained with gifts of top-brand Scotch whisky to Bulgarian customs officials.

Besides bribes, there are huge legal loopholes in the sanctions. One allows trucks marked "transit" to enter Yugoslavia, unload and leave the country without systematic checks to verify the whereabouts of the cargo.

Another loophole allows trucks to enter Yugoslavia carrying goods bound for Bosnia. Since most of that former Yugoslav republic is now controlled by Serb gunmen, the sanctions do not hinder the Serbs, widely regarded as the aggressors in the war, from getting supplies of fuel or food.

"We are doing much better than the West had expected," Mr. Milosevic told a convention of his governing Socialist Party — the renamed communists — last month.

Widespread smuggling is allowing Belgrade to weather sanctions with shops full of everything from Belgian cookies to the latest in Italian designer shoes. But soaring prices have meant a collapse in living standards for all but an elite.

Average real incomes in Serbia have fallen nearly tenfold in the last two years, to about \$78 a month from roughly \$700. In the meantime, food prices have soared to levels higher than those in much of Western Europe. After a government-ordered price increase Wednesday, bread costs slightly more than \$1 a loaf.

Acute heating oil shortages have left many apartment buildings cold. Belgrade's only crematorium had to close last month for lack of butane gas. State hospitals lack basic medicines and X-ray film, and patients are told by doctors to buy anesthetics from private pharmacies before coming to the hospital for surgery.

The economic underpinnings of Serbia's economy are in ruins, with industrial production down about 60 percent from last year, mass layoffs in the dominant state-owned sector and hyperinflation at a frenzied pace.

"If these guys in the government were rational, they would see the long-term damage to their country," said a Western economist here.

But UN sanctions appear to be doing nothing to change the nationalist policies of the Milosevic government toward Bosnia or Croatia, where Serb fighters have seized large chunks of territory.

What the sanctions have done is touch off explosive growth in the black-market economy, growth that has been accompanied by a doubling in Belgrade's crime rate.

The capital has been flooded with weapons brought in by Serbian fighters returning from Bosnia and Croatia. Street shootings, carjackings, burglaries and muggings are now common in a city that five years ago described itself as the safest in Europe.

The sanctions are enriching those responsible for the policies that caused the sanctions in the first place.

A Western diplomat

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Talks Among Bosnia Foes Are Delayed

Reuters

SARAJEVO, Bosnia-Herzegovina — Talks between Bosnia's warring parties, which the United Nations hopes could lead to the demilitarization of Sarajevo by Christmas, were stalled Thursday because the Serbian negotiator was ill and could not attend.

In Belgrade, UN officials trying to end fighting between Muslims, Serbs and Croats warned that they could not provide enough food for civilians trapped by the war and again raised the specter of a winter famine.

The three-party meeting on Thursday, at which the UN military commander, General Philippe Morillon, presided, was due to discuss a UN plan to demilitarize the capital, which is ringed by Serbian gunmen and defended by Bosnia's Muslim-led army.

But Bosnian and Croatian military delegates refused to talk to a

Serbian colonel who was offered as a substitute. The meeting was postponed until Saturday.

"Today was a difficult day," General Morillon said, "because the leader of the Serbian delegation was sick we were not in a position to take a decision."

General Morillon announced his goal to demilitarize the city by Christmas.

But he added that all three parties had endorsed the plan in principle and would discuss amendments on Saturday.

The onset of winter and the plight of Sarajevo's 380,000 residents, who are without basic supplies, has increased the urgency of UN efforts to end fighting and secure safe supply routes.

UN officials say an international airlift and intermittent overland aid deliveries are only managing to meet about two-thirds of the city's basic food needs.

"On average, people are getting only half the calories needed to sustain life over a sustained period," the deputy head of the UN's mission in former Yugoslavia, Cedric Thornberry, said at a news conference.

"The World Health Organization says there are already classic features of the beginning of a famine," he said.

Mr. Thornberry said 1,338 relief flights had arrived in Sarajevo since the airlift began in July, delivering an average 150 tons of food each day. But the health organization estimates the city needs a minimum 240 tons a day.

Some deliveries are arriving by road, but two main routes — one from Belgrade to the north, the other from Mostar to the south — have proved unreliable because of direct attacks on relief convoys.

Safe passage for the relief shipment and for local and foreign journalists covering the civil war was also discussed at the meeting Thursday on demilitarization.

But given the bitterness of the civil war and the failure of many UN-brokered cease-fires, it is difficult to imagine either side surrendering its weapons around Sarajevo.

Bosnian troops inside Sarajevo wonder how the United Nations could guarantee that besieging Serbian forces, with secure lines of transport and communication into Serbia, would not be resupplied with weapons in the future.

Bosnian officials have said they hope President-elect Bill Clinton will help lift a UN embargo which is preventing their Muslim-led army from buying arms.

An open letter to the Fifth Committee of the UN General Assembly



If the UN went on strike, the world would be in a fix.

People would freeze and starve and suffer. Refugees would be lost with no one to help them. Pregnant women all over the world would be deprived of pre-natal care. Millions of children would not be vaccinated and become ill.

And many people would die.

The staff of the United Nations do a lot more than just talk and write reports. Every day, we save lives. Feed the hungry. Protect refugees. Maintain peace. By making the UN work, we make the world better.

Every hour of every day, everywhere in the world, the UN is there. Without the UN, wars would take a heavier toll than they already do. Children all over the world would die of diseases we can control or prevent. When an earthquake strikes, who would provide emergency shelter, food and medical supplies? Where people are starving, who would deliver rice and grain? Where people are suffering, who would they turn to? And who would patrol scores of tense borders around the world?

The world without the UN sounds terrible, doesn't it?

But the UN does work. Every day UN staff are at their jobs in over 600 duty stations around the world. True, some push paper, but this is important too. We make sure treaties are signed. We write and translate manuals on shipboard medical care. We prepare guidelines for delivering medical care for every disease you care to name, and some you don't. And we negotiate regulations for satellites and air travel, laws of the sea and the skies, the ozone layer and the environment.

Most of us performing humanitarian and peace-keeping tasks work in conditions that would scare away all but the most dedicated. We're used to facing disasters. But now, we're facing a disaster of our own.

Proposals before the UN General Assembly this year for short-sighted economies at the expense of staff could destroy the UN. If they are adopted, the UN will no longer be able to meet its global responsibilities and the new challenges that lie ahead. An awesome prospect — and one that depends on you.

Fifth Committee members, agree to:

- Maintain the competitiveness of General Service salaries and pensions
• Restore the competitiveness of Professional salaries and pensions, and
• Give us the right to negotiate our conditions of service.

We're not asking for the world — as UN staff, we already have that honor. Don't force us to go on strike. Our work is too important for that.

We only want a fair deal — competitive salaries and pensions for equivalent work and expertise. To do its best for the world, the UN needs the best. You can make that happen by adopting our proposals.

The world is depending on you. And so are we.

52,000 Staff. Making the UN Work for the World.

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# When Phrase-Book Words Fail You

By Christopher S. Wren  
New York Times Service

ONCE upon a time I really did speak Spanish, in that halcyon interval between my last year of high school Spanish and my first year of Russian in college. The subsequent hiatus of more than three decades is a roundabout way of explaining why words failed when my rental car was towed away in Granada.

When my wife, Jacqueline, and I vacationed in Spain this summer, our first encounter with local residents made clear that my vaunted Spanish was much rustier than my ego had acknowledged. What I needed was a little prompting, which is why one afternoon in Madrid, I forewent my siesta to buy a Spanish phrase book.

The only sure way to communicate abroad is to take proper language lessons, or at least some language tapes to chatter along with on road trips. But in Madrid, I went to the closest department store and bought the only English-Spanish phrase book on sale. Though it most complied and published in Spain, its name inexplicably evoked a university in faraway Connecticut, to which it bore no evident relation. "With the Yale Guide you will be sure of making yourself understood at any moment and you will be able to benefit to the utmost from your stay and from the delicious Spanish food," the introduction asserted.

The book jacket promised "a choice collection of pattern phrases to manage oneself at the hotel, at the restaurant, in the shops and in any other different circumstances." The tone inside sounded even more encouraging.

BACK in our hotel room, I delved into my pocket guide with not a little disappointment. Here was the magical language of Miguel Cervantes, of Carlos Fuentes and Gabriel Garcia Márquez translated into a succession of set clichés, most of them superfluous to my visit to Spain. "Deme un depilatorio suave" ("Give me a smooth hair remover"), one phrase pleaded, when what I needed was a new tube of toothpaste. Asking a taxi driver in a strange city to "Llévenos a una buena sala de fiestas" ("Take us to a good nightclub") struck me as a recipe for a ripoff.

"No tiene algún objeto con el nombre de esta ciudad?" ("Have you something with the name of the city?") was unnecessary in a country where the trick was finding a souvenir without the name of Barcelona or Toledo or Córdoba. "Tengo avaria" ("I have a breakdown") sounded more useful, though it evidently referred to mechanical problems rather than mental distress in Spain's formidable traffic.

My phrase book lavished five pages on the



bullfight, including phrases for a hypothetical conversation with fellow spectators. I had visions of an elegant but nearsighted señorita seated behind me whispering in my ear, her perfume filling the afternoon air as she inquired anxiously: "¿Lo ha matado de una buena escotada?" ("Has he killed it after a good stab?"). And I could allay her concern with the observation I had memorized on page 112:

"¿El público aplaude mucho y agite los pañuelos pidiendo la oreja como premio para el torero?" ("Yes, the public applaud a lot and wave their handkerchiefs asking for an ear as a prize for the matador.") I would reply.

Delighted by my fluency and erudition, the señorita, or perhaps her avuncular patron, would insist on taking us all to dinner at one of Madrid's outrageously expensive restaurants. I never got to try it because Jacqueline came to Spain for the cathedrals and museums, not the bullfights, so instead we viewed the Goyas at the Museo del Prado.

Some phrases sort of worked. "Por favor, tienen habitaciones libres?" ("Please, have you any room free?"), I recalled, and if the response was "sí," we were accommodated for the night, though the torrent of Spanish that followed my second question, "¿Cuál es

el precio?" ("How much is it?") was invariably harder to decipher over the telephone. "Lléne el depósito" ("Fill her up"), I told the gas station attendant, who nodded and pumped something costing more than \$4 a gallon into our car.

And how could I quarrel with that eternal question posed by my phrase book on page 91, "¿Encogen al lavar?" ("Will they shrink in the wash?")

But only a crisis offers the real test. I must report that my Yale Guide — "The book you will recommend to your friends!" its cover blurb said — failed in Granada, an Andalusian city renowned for two remarkable features: (1) a Moorish architectural wonder called the Alhambra, and (2) no place to park.

After a day spent wandering through the elegant halls and refreshing gardens of the Alhambra, Jacqueline and I drove downtown to look for an inexpensive restaurant. Though it was after 7 P.M., the city overflowed with cars, most of them parked. Eventually we found an obscure curbside slot near the leaning Plaza Nueva, where I wedged our small red car into a parking space.

When we emerged from dinner, at about 9 P.M., our car was gone, and two other cars filled its place. We wandered around the

square amid rising certainty that our car had been stolen. I returned to the restaurant, found the proprietor and thumbed through my book for the appropriate phrase.

"Quiero hacer una denuncia, porque me han robado, atracado, estafado, etc." ("I want to report to the police that I have been robbed, mugged, swindled, etc."), prescribed the phrase book, which missed the point because the car had simply vanished. I conveyed enough of my desperation that the proprietor helped me telephone the police and then kindly accompanied me back to the scene of the crime.

WHILE we dallied over our gapacho, he concluded, our car had been towed away. There was no sign to prohibit parking and other cars had now squeezed into where mine once stood, but an orange paper triangle newly glued to the sidewalk provided the telltale clue. A squad car drove up with two policemen and stopped in the only vacant space, which was on the sidewalk.

"Puede usted remolcarme?" ("Can you tow my car?") was the closest phrase yielded by my book, when I wanted the police to get the car untowed. The radio crackled as they traced its whereabouts somewhere on the far side of Granada. I had no trouble understanding the officer's cheerful observation that removing the car would cost me "muchas pesetas."

Granada's policemen were nothing if not chivalrous. When I failed to absorb their intricate directions in Spanish, they chaffed us themselves. The patrol car took us down dark, deserted streets into the bowels of Granada unfrequented by tourists. We climbed out and shook hands with our police escorts before descending into the basement where an official sliced through the linguistic Gordian knot. He took out a large paper, wrote "6,450 pesetas" across it, stamped it with assorted seals and thrust it under the glass barrier of the cashier's window. I wanted to tell him that we had mistakenly spent all our money in his beautiful city, creating jobs for his sons and daughters. But my Spanish fell well short of that lyrically cogent argument, so I wordlessly forked over the equivalent of about \$60. We extracted our car and found our way back to our hotel, thanks to some elaborate body language imparted by the towing staff.

I suppose there is a place for phrase books, if they ask such salient tourists' questions as these: "Was the lettuce in my salad washed today?" or "Could you find us a table a little further from your dirty dishes?" or "What time may I expect the discotheque under my window to close down?" I have yet to visit a country where I felt impelled to say, as my book urges on page 95, "Creo que llevaré estos patines" ("I think I shall take these roller skates").



A sampling of designs by the British silversmith Jocelyn Burton.

# Play 'em Again: A New Lease on Life for 78s

By Conrad de Aenlle  
International Herald Tribune

THE latest audio technology is bringing the earliest records — the tinny, hissing, very low-tech 78s made a couple of generations ago — back from the brink of obscurity, or at least down from the attic.

Record companies like EMI, a leading practitioner of the art of computer-assisted restoration of 78-rpm disks, are scouring their archives for classics to re-release, or in some cases to issue for the first time. Record buffs, should they have the money and desire, can dust off parts of their own collections and take them in for an auditory face lift.

Two methods, called Cedar and Sonic, are used at EMI's Abbey Road Studios in London, occasionally for individuals and other companies, but mainly on its own extensive catalogue of 78s.

"We're going further and further back" in time to find records to fix up and release, said Jenny Keen, an archivist at EMI. "In the archives here we've got some pieces of music we've never released — old metal-work stuff that was recorded, then it was decided the time wasn't right to release it. We make pressings of them, then send them to the studio and a perfect recording is made."

Among the master disks being reworked, she said, are test recordings made by Noël Coward but never released because "the producer's notes said his voice was too thin and weedy and wouldn't sell well."

Some individual collectors have their own recordings restored, as well. The cost at Ab-

bey Road, using the Cedar system, is up to £100 per platter, or about \$150.

"It's a rather expensive process," Andy Walters, EMI's historical remastering engineer, acknowledged. He's the person responsible for restoring all the company's releases of 78. The expense keeps many record companies from doing this sort of work in house. One of the bigger ones that does, besides EMI, is RCA, he said.

The two enhancement processes use computers to remove the clicks, pops and other extraneous sounds that creep into records over the decades. With Sonic, developed by an American company called Sonic Solutions, the computer then replaces missing bits of sound with what it surmises was there to begin with. The British Cedar system does not do this, but its engineers add or subtract highs and lows to improve the sound quality.

The Cedar process, which is done in real time, compared with two or three hours for the other, is the one Walters prefers for doctoring up 78s.

"The hiss is greatly reduced," he said. "The clicks are removed. Underneath the noise and the clicks, you get great mono sound. Some of them sound like they were recorded yesterday."

That's just the problem, say the high-tech systems' detractors. They should sound exactly like they did when they were recorded, 60 or 70 years ago, they contend. That's what a British company called Nimbus Records tries to do.

Nimbus's engineers employ much the same process used to make the records in the first place. Only those needles, not diamond stylus, pick the sound off the disks, which spin on a 1930s wind-up phonograph. A micro-

phone is placed in front of a horn that is 20 feet long and 7 feet in diameter (6 meters by 2 meters). The sound is then recorded on compact discs, as with the other methods.

Norman White, a Nimbus consultant, said little souping-up of the records is done.

"We only take out the actual clicks from a dent in the original pressing," he explained, and not "the fried egg sound you get in most pressings. The only way to take those out are electronically, but then you take out half the music. You're telling the computer to subjectively select the missing music and replace it."

While a tiny bit of music no longer exists

## HEAR THIS

■ In the interest of making things easier for people, which can only be good, 30-minute cartoon-and-puppet films based on six Shakespeare plays will be appearing on television around the world starting next week. They are co-produced by the BBC and the Russian Soyuzdetfilm (for the animation) and are intended to bring these classics to a wider audience, Renter tells us. Some grocerly academics are upset by this, of course, but others are pleased: "Shakespeare would have loved them. After all, he was continually updating and amending his work," said Professor Stanley Wells, director of Britain's Shakespeare Institute. Something like this, perhaps: "To be or not to be, WOW! KAPOW! ZOUNDS!"

at each place where there was a click, the blank spot that remains lasts such a small fraction of a second, you're not going to miss it. "It's as simple as that," he said.

What's not so simple is finding suitable records to run through the giant horn.

"You have to spend a great deal of time searching for perfect copies," said White, whose collection of 78s totals 20,000. "I spend quite a lot of time in the States going through dealers' stock. We would only use a copy that is not perfect if it's something where there's virtually no chance of finding a perfect one and the musical value was such that you couldn't do without it."

Of course, that wouldn't help collectors who only wanted to go through their attics. Can listeners really tell the difference in the way a 78 is resurrected?

"It depends on how they listen; all these methods are subjective," White conceded. "I reckon ours, through doing it in a natural way, is more musical. I listen to both and find [the Nimbus recordings] more natural, with a more natural ambience."

A more objective listener, Steve Simeis, music editor for the magazine Stereo Review, does not find nearly as much wrong with the Cedar and Sonic systems as White does.

"This does not in any way degrade the music," he said. "It helps more than it hurts, if used correctly."

Walters' specialty is reworking old classical records, where the clicks and noise are especially bothersome. In other types of music, though, it's not such a problem, at least to some listeners' ears. "If I'm listening to jazz, I like to hear the clicks myself," he admitted.

## THE MOVIE GUIDE

### Fratelli e Sorelle

Directed by Pupi Avati. Italy.

Judge not, that ye be not judged; if anything, this is the moral watchword that has guided Pupi Avati through more than two decades of filmmaking. Detached, intuitive, at times necessarily cruel, Avati casts an eye on the sins and sorrows of ordinary people, weaving their everyday dramas into moving, realistic films. Wise enough to recognize his own strengths, Avati aims for — and usually reaches — the jaded but still beating heart of his Italian audience. In "Fratelli e Sorelle" (Brothers and Sisters), Avati's folksy, detached, tolerant realism has found a new homeland in America. Fleeting Italy and an unfaithful husband, Gloria (Anna Bonaiuto) and her two teenage sons come to St. Louis, where they move in with her sister Lea (Paola Quattrini), her lover Carlo (Franco Nero) and Carlo's two teenage daughters. The new arrivals are warmly welcomed by the close-knit Italian community of St. Louis. Yet with the memory of Italy — and of their once united family — still warm, Gloria and her sons find little solace there. Lea and Carlo have their problems as well — an inability or unwillingness to communicate that has become habit. Matteo, Gloria's oldest son, courts one of Carlo's daughters. Francesco, the timid younger brother, speaks on the phone with his father every night, trying in vain to piece their family back together. Still, the tone of the film is fond-



Brigitte Roïan in "Olivier Olivier."

Like a magician, Avati manages to produce flashes of color against a backdrop that seems about to fade to black. His characters show resilience and strength in learning to absorb — if not overcome — their disappointments, and a willingness to appreciate the small but not insignificant joys that have always been the light in Avati's human universe. (Ken Shulman, IHT)

### Rampage

Directed by William Friedkin, U.S.

William Friedkin's chillingly effective "Rampage" begins with the sight of a killer preparing to commit his crimes. Charles Rocco (Alex McArthur), a handsome, wide-eyed man with a dis-

arming smile, buys a gun at a store and answers jovially when the seller asks an obligatory question about whether Charles has been in a mental hospital. ("Let me think. No.") He selects out a safe-looking suburb. He enters a house at random, surprises the white-haired woman who answers the door, then shoots three people going on to carve up two of them with a kitchen knife. These events are left largely implicit, with the bloodshed offscreen, but the full scope of their grisliness is allowed to sink in. In presenting this murderous spree, which goes on to include a mother and young son from another household, Friedkin's method is as systematic as Rocco's. He works briskly and efficiently to lay out the details of a case based on a real story. "Ram-

page" while offering discreet exposition about the murders and their aftermath, also becomes a tirade against a judicial system that would spare someone like Rocco by deeming him criminally insane. The film has a no-frills, realistic look that serves its subject well, and it avoids an exploitative tone. That is fortunate, since the material is so potentially lurid that it needs no further stylistic amplification. (Janet Maslin, NYT)

### Olivier Olivier

Directed by Agnieszka Holland. France.

Agnieszka Holland has a fascination with displaced or double identities. Like "Europa, Europa," this story is based on a real drama. One day, Olivier (Emmanuel Morozov) bicycles over the hill to grandmother's house, as in the fairy tale, and does not come home. Years later, a Parisian boy prostitute (Gregoire Colin) appears as a revenant to grieving parents (Brigitte Roïan and François Cluzat) and a suspicious sister (Marina Golovine). The second part of the movie — is he or isn't he? — provides the kind of perverse thrill TV reality shows offer, with the bonus of incest and rape. Blown up for the big screen, this version of family life in the provinces aims to turn reality into utilitarian fantasy. It will be interesting to see what Holland does with her next movie, "The Secret Garden," in English. (Joan Dupont, IHT)

# Antiques of the Future? Silversmith's Work on Display

By Lawrence Malkin  
International Herald Tribune

LONDON — Modern silver usually means something seamless, shiny, Scandinavian, and probably indistinguishable from stainless steel. "Then why make it in silver at all?" demands the British silversmith Jocelyn Burton, whose ebullient personality matches the extravagance of her creations. They team with mythical symbols of animals and fruit, curlicue foliated scrolls and other ornaments of her fancy, often adorned with semiprecious stones.

Burton can be visited in her new studio, at 50c Red Lion Street, in back of a Korean restaurant and hard by the Hatton Garden jewelry district, where she began as an apprentice a quarter-century ago after walking out of art school because women were not permitted to take the silversmithing courses. Not surprisingly, most pieces then were square, heavy, masculine things like desk sets. She astounded the trade by countering with powder-puff cases, silver champagne flutes with diamond bubbles, and an outrageous, most-un-British moonstone-encrusted goblet that she eventually sold to an Arab sheikh.

A member of the British studio movement of designer-craftsmen, who work with an assistant or two at costs that usually make mass marketing prohibitive, she cheerfully accepts commissions from private patrons and public institutions. She is also one of the few working in London; most others prefer the calm of the country, undisturbed by the curious patrons upon whom Burton thrives.

"After so many years when the antique trade and the auction houses dominated the market, I think the time is coming when it will be smart to buy modern silver," she said. "The foundation of our trade in the 18th century were the parvenus who made money in sugar or slaves, got a title, and then bought silver in rococo designs that were got up specially for them by Huguenot smiths like Paul de Lamoignon who had migrated to London. That is the tradition from which I descend."

By contrast, notes Rosemary Ransome, the curator of the Worshipful Company of Goldsmiths, which sponsors, guides and promotes the British craft, Georg Jensen of Denmark, the arch-popularizer of modern Scandinavian silver, takes the output of workshops using up to 70 craftsmen and distributes it through more than a hundred outlets worldwide.

Ransome predicts that pieces by a score of leading British smiths like Burton are "the antiques of the future." Sotheby's is already auctioning the pieces that Gerald Benney, Stewart Devin and Robert Welch did in the 1950s. They now fetch at least 10 times their original prices.

BURTON'S public commissions include offertory silver for St. Paul's and the Litchfield cathedral; loving cups for City of London livery companies; goblets and table centerpieces for the Fitzwilliam and the Victoria and Albert museums, and for No. 10 Downing Street, fluted silver and lapis candelabra to grace the formal prime ministerial table.

Liberty's is mounting a show of her work from Nov. 11 to Dec. 4 at its Regent Street store, but like most leading British smiths she rarely sells at retail. Aside from a few souvenir items such as the letter openers or place-card holders she sells out of her studio for about £40 (about \$64), Burton can rarely turn a profit selling retail.

Internationally known firms such as Tiffany, Asprey, Buccellati and Bulgari, she says, "are just big marketing houses. They just take in a product and sell it out at the end with a big profit in the middle." Asprey's latest big spender is the sultan of Brunei, who is reputed to have dropped about £25 million on palace decorations such as a pair of white rock crystal swans, their backs filled with semiprecious stones carved as flowers. Needless to say, every designer-craftsman in England was angling for a piece of that action, with Burton proposing a set of bejeweled silver wall sconces. She is still waiting for the phone to ring.

No wonder she prefers individual commissions. Her current favorite project is a set of wall sconces for a property tycoon who has already spent £5 million renovating his manor outside London. His decorators wanted three sets of 18th-century French wall sconces — 12 in all — for the ballroom, dining room and drawing room. They never could find more than a pair of antique sconces at auction and at prices of £125,000 and up, so they called on Burton.

She turned in exquisitely detailed drawings of silver-gilt sconces. For the dining room, she made the traditional Louis XVI lyre-back motif more prominent and draped it with all manner of fruit, including lyches "because it's more fun." For the drawing room, she designed a classic conversation with plays on the owner's name and character to promote small talk — a bow and arrow because his name is Latin for soldier, and a book of Machiavelli entwined with hemlock and nightshade. He said that reflected his character.

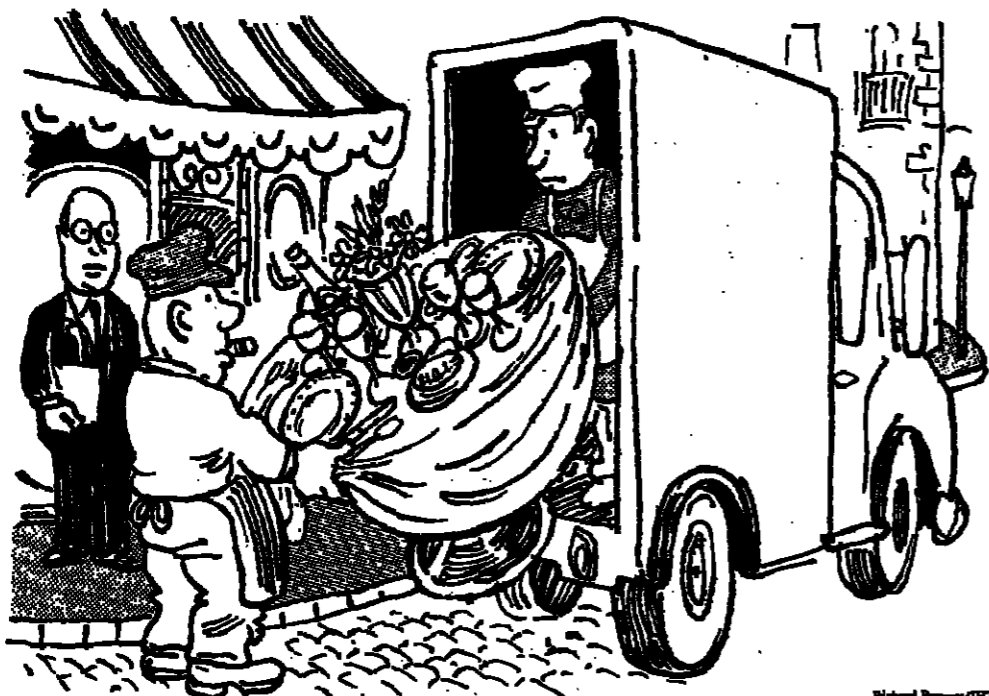
THE price is still under negotiation; although it will be well below antique levels, this is a six-figure project. "People used to wait instant history from the silversmith," said Burton. "That is getting too expensive, but they are finding that it is a pleasure to own a piece that represents their families or themselves."

The late Queen Frederika of Greece commissioned her to do sets of egg cups for her royal son and daughter. The deposed King Constantine got his with Doric columns, and Queen Sofia of Spain with Spanish battlements. Cost: £600 per cup. A wealthy client wanted ashtrays around the house that would keep his ashes from the sight and smell of his wife, a nonsmoker. Burton responded with hollow silver pears with a hinged top, pulled open and snapped shut by the stem.

Burton works closely with her clients and a stable of artisans who turn out the pieces. "In America the craftsmen have all disappeared and the designers have to reinvent the wheel themselves," she said. "In England the craftsmen still live, and it would be pointless for me to knock out six egg cups or ashtrays when I could spend my time designing and sculpting the patterns. It takes a craftsman 15 to 20 years to perfect his trade to the point where he can do things with panache quickly enough to earn his living. I realized when I was in art school that I didn't want to be one of these arty-crafty people who can set a diamond better than a setter who needs at least seven years simply to learn how to do it properly. We have all sorts of such people: spoonmakers, chasers, the lot."

Moreover, most of silver artisans work in the Clerkenwell district of London only a mile or so from her studio. Visits can be arranged to their workshops to watch commissioned work being turned into the real thing. That's part of the fun of being a patron.





## Bistro Winds of Change

By Patricia Wells  
International Herald Tribune

**P**ARIS — Unlike cafés, restaurants rarely hang out a "changement de propriétaire" banner, advising a change in ownership and, hopefully, signaling the beginning of a new and better life for its clientele.

But restaurant changes, as ever, are in the wind. It's hard to say whether it's because of or in spite of economic hard times that Paris restaurateurs have taken to the streets, in search of better, bigger or more comfortable surroundings.

A recent change that's almost imperceptible for diners is the new ownership of Chardenoux, an off-the-beaten-path bistro with a true neighborhood feel and untended charm-of-the-century décor. It has been a personal favorite for years, through several owners, and the current patron is the former wine bar owner Bernard Passavant — seems to be keeping it all together.

The restaurant could serve as a stage set, with its bentwood chairs, zinc bar, etched-glass windows and colorful floor tiles. The food is honest, wholesome, well seasoned and without frills. Best bets include the copious salad of Belgian endive, Roquefort and walnuts; a delicious and super-thick veal chop as good as any I've sampled just about anywhere, served with tender morsels and a generous serving of steamed, fresh spinach; and a superb plat du jour, the pot-au-feu — served from a single, giant white bowl, with a little jute sack of Brittany sea salt alongside.

On my last visit, I sampled Guy Julien's reliable Côte-du-Rhône, Beaufort-de-Vence, and it helped make the evening all that much better. And if *cerise à la savoyarde* are on the menu, do try the deliciously warm, pitted cherries, with vanilla ice cream.

Another change comes from the Parisian restaurateurs Christiane and Gérard Constaux. Over the years, their *Globe d'Or* — a cozy restaurant that closed its door one year ago — provided many satisfying meals. The Constaux family resurrected a few

weeks ago, in the name of Sud-Ouest & Cie, a flashy, modern restaurant in the now-defunct Paquebot, just steps from the Gare Montparnasse.

They've opted for a better location, more space and a formula menu (first course, main course and dessert for 175 francs), which is all the rage today. I'm not particularly in favor of these "formulas," for it seems to make for formulaic dining as well as fostering a tendency to eat more than one might want.

I've long been a fan of several of chef Constaux's localized dishes from France's southwest, including his refreshing *jambon de pays grillé à l'échalote*, a marvelous platter of thinly sliced country ham that has been marinated in oil and an avalanche of shallots. The ham is grilled, then served atop a huge green salad.

**T**HE popular dish moved with him to Sud-Ouest & Cie, but on a visit just a few days after the restaurant's opening, I found the salad somehow less vibrant, more formulaic.

Perhaps it was the flashy surroundings, perhaps the oil used was not up to quality. The same went for the rest of the meal: The soul seemed to have been sucked from the food, in the name of quick and easy. Generally flavorful *magret de canard* (breast of a fattened duck) arrived limp, floating in a less than delicious sea of oil, on a cold plate, and service was generally of the amateurish vein, save for the reassuring influence of Christiane, who brings a touch of warmth and personality to an otherwise chilly décor.

But I won't write them off yet. There are too few single-owner restaurants left in Paris to lift one's arms in despair. Give them time, and they may be able to bring back the cozy, personal flavors that kept folks coming back before.

**Chardenoux, 1 Jules-Vallès, Paris 11; tel: 43.71.49.52. Closed Saturday lunch and Sunday. Credit cards: American Express, Visa. A la carte, 180 to 200 francs.**

**Sud-Ouest & Cie, 39 Boulevard du Montparnasse, Paris 6; tel: 42.84.35.35. Open daily. Credit card: Visa. Fixed 175-franc menu.**

### AUSTRALIA

**Sydney**  
Australian Museum (tel: 339.8111). To Feb. 5, 1993: "Gargantuans from the Garden." Featuring large surrealist robotic insect sculptures with blades of grass which stand as high as humans.  
Powerhouse Museum (tel: 217.01.11). To Dec. 1: "The Beauty Parlor: Selling Beauty in the 1950s." A regression in time to the era of the beehive hairdo, with original fittings, films and photos.

### BELGIUM

**Brussels**  
Musées Royaux d'Art et d'Histoire (tel: 741.72.11). To Dec. 27: "Tresors du Nouveau Monde." Pre-Columbian art of the American continents from the Arctic Circle to the southern tip of South America.

### BRITAIN

**London**  
Burlington (tel: 638.8861). Nov. 11-Dec. 13: "Tender is the Night: Scandinavian Cinema 1916-1992." This is part of a 250-event festival commemorating Scandinavian culture. The particular event features 118 of the best in Scandinavian films. Also, Nov. 11-Feb. 7: "Border Crossings: Fourteen Scandinavian Artists." Explores the work of the artists from the late 19th century to the present day.  
British Museum (tel: 323.8525). To Nov. 29: "Ukiyo-e Paintings." This is the first of a two-part exhibition, comprised of 100 screens, hanging scrolls, hand scrolls and albums, concentrating on the world of geishas from the pleasure quarters in the city of Edo.

**Museum of London** (tel: 630.9099). To June: "The Purple, White and Green: Suffragettes in London, 1906-14." A re-evaluation of the early British women's movement.  
**Royal Academy of Arts** (tel: 439.7498). To Dec. 20: "Tom Phillips: Major Works 1970-1992." The retrospective includes painted poems and political metaphors dealing with the 1970s in South Africa and Berlin.

**Canada**  
**Montreal**  
Musée d'Art Contemporain (tel: 873.28.78). To Jan. 3, 1993: "Free Worlds: Metaphors and Realities in Contemporary Hungarian Art." An exhibition of painting by Akos Erbas, László Fehér, Sándor Fincsovszky and Tamás Soos, along with installations by Gabor Bachman, Imre Bukta and El Kazewski.

**Czechoslovakia**  
**Prague**  
Národní Muzeum (tel: 269.451). To Jan. 3, 1993: "Four Generations of Polish Designers." Features set designs and costumes by artists such as T. Rozkoszewska, J. Kosinski, M. Kolodziej and A. Majowski.

## THE ARTS GUIDE



"Death Will Come and It Will Have Your Eyes," by Mario Giacomelli in Turin.

Works by Rembrandt and his contemporaries in different media.

### SWITZERLAND

**Basel**  
Kunstmuseum (tel: 271.08.28). To Jan. 3: "Jörg Kreienbühl." Includes pictures, drawings and prints.  
Museum für Antike Kunst und Ludwig Sammlungen (tel: 271.22.02). To Nov. 11: "The Artist's Design." A selection of sculptures, from 500 B.C. to the present, analyzing the development of design principles in nude sculptures.

### UNITED STATES

**Chicago**  
The Art Institute of Chicago (tel: 443.3600). To Jan. 3: "The Ancient Americas: Art from Sacred Landscapes." Includes 300 pre-Columbian pieces of goldwork, stone sculptures, textiles and crafted ceramic vessels.  
Museum of Fine Arts (tel: 526.1361). To Nov. 29: "Jacob Lawrence: The Frederic Douglass and Harriet Tubman series of Narrative Paintings." More than 60 paintings created between 1941 and 1961, one of the most important African-American artists of the century.

**New York**  
Cooper-Hewitt Museum (tel: 860.6868). To March 7: "The Power of Maps." More than 400 historic and contemporary maps dating from 1500 B.C. to the present.  
Guggenheim Museum (tel: 423.3500). To Dec. 15: "The Great Utopia: The Russian and Soviet Avant-Garde (1915-1932)." More than 800 works, including paintings, posters, architectural and typographical designs, theater costumes and porcelain, ranging from the spiritual idealism of Malevich to the dramatic realism of Tatlin.

**Vivian Horan Fine Art** (tel: 517.9410). To Dec. 19: "Pitched Black." Paintings and drawings which illustrate the optical and symbolic aspects of blackness, including artists such as Andy Warhol, Victor Hugo, Ad Reinhardt and Frank Stella.  
Whitney Museum of American Art (tel: 573.3533). To Jan. 31: "Agnes Martin: A survey of the career of the American minimalist painter. To Jan. 31: "Jonas Meckas." A number of works by the postwar American avant-garde filmmaker.

**Pasadena**  
Norton Simon Museum (tel: 443.6540). To May 2: "Eugene Blyss: Views of the French Countryside." Blyss and his contemporaries such as Corot, Daubigny and Rousseau were forerunners of the emerging Barbizon School who sought to produce naturalistic landscape and genre subjects by working in situ.

**Washington**  
Smithsonian's National Portrait Gallery (tel: 357.2627). To Feb. 7: "In Pursuit of Fame: Rembrandt Peale 1778-1860." A major retrospective exhibition including 75 paintings, prints and drawings.

### FRANCE

**Grenoble**  
Centre National d'Art Contemporain de Grenoble (tel: 76.21.95.84). To Nov. 14: "I, Myself and Others." Seven artists, born in different locations after World War II, respond to the theme, concerning artists and the outside world.  
**Paris**  
Ecole Nationale Supérieure des Beaux Arts (tel: 47.55.50.00). To Dec. 20: "Collection Fondation Peter Stuyvesant: L'Art Actif: Art Works." One thousand contemporary art works from more than 35 countries.  
Espace Japon (tel: 47.00.77.47). Nov. 7-Nov. 28: "Année des Indigènes du Monde." Includes photos, films and conferences on three indigenous populations: the Ainu and Ryukyuan people of Japan and the Yanomami people of Brazil.  
Grand Palais (tel: 47.22.20.42). To Nov. 22: "Réalités Nouvelles," the 48th annual salon, with the works of 400 artists, including the French painter, Jean-Pierre Pao.  
Musée des Arts d'Asie et d'Océanie (tel: 44.74.84.80). To March 29: "Rao-Pynesses." Fifty Polynesian art works from the Gambier Islands.  
Also, to Jan. 4: "Sculpture Géométrique Contemporaine." A diverse display of masks, statues and sculptures from Gabon.

### IRELAND

**Dublin**  
The Irish Museum of Modern Art (tel: 718.666). To Feb. 14: "Richard Hamilton: A Retrospective." A selection of paintings, reliefs and mixed media works.

### ISRAEL

**Jerusalem**  
The Israel Museum (tel: 708.811). To Nov. 21: "Israeli Art From the Ayalia Zacks Collection." Features 100 paintings, drawings and sculptures. Also, to Dec. 15: "Avraham Eliaz: From the Gut, From the Mind." Includes different techniques of drawing, print and photography of the Hafia artist.

### ITALY

**Turin**  
Castello di Rivoli (tel: 8587256). To Nov. 29: "Mario Giacomelli." A retrospective including more than 130 photographs taken over the past 50 years.

### JAPAN

**Hyoogo**  
Itami City Museum of Art (tel: 727.7447). To Dec. 6: "Hanae Mori and Haute Couture in Paris." Featuring 200 works by the Japanese designer.

### Düsseldorf

Kunstmuseum (tel: 899.22.90). To Dec. 31: "Glass." Exhibition of Jugendstil and Art Deco glasswork from the Heinrich Glassmuseum collection.  
**Munich**  
Neue Pinakothek (tel: 238.05.195). To Nov. 19: "Collection of Count Atanasius Racynski." A study of the artist's paintings from the Late Romantic Period.

### OSAKA

Takashimaya Grand Hall (tel: 631.1101). To Nov. 15: "Johnny Hymas." Includes 40 photographic works portraying the four seasons in Japan by the British artist.

### NETHERLANDS

**Amsterdam**  
Stedelijk Museum (tel: 573.29.11). To Nov. 29: "Sigmar Polke." Polke is part of a new generation of German artists who, following World War II, provided European art with new incentive.  
**Groningen**  
Groninger Museum (tel: 183.343). To Jan. 10: "New York Graffiti Art: Coming from the Subway." Graffiti as an art has its roots in the early '70s. This retrospective exhibit includes Keith Haring and other artists.

### NORTHERN IRELAND

**Belfast**  
Belfast Festival at Queens (tel: 246.609). Nov. 9-29: A major European arts festival featuring more than 100 events, including music, dance and theatrical performances.

### SPAIN

**Malaga**  
Palacio Episcopal (tel: 561.1074). To Jan. 11, 1993: "Picasso Clásico: Malaga 1992." Malaga, the birthplace of the Spanish artist, is primarily a Mediterranean city. This exhibit charts the influence of his cultural roots on his work.

### SWEDEN

**Stockholm**  
National Museum (tel: 666.42.50). To Jan. 6: "Rembrandt and His Age."

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# OIL & MONEY: PLANNING FOR CHAOS

LONDON, NOVEMBER 16 - 17, 1992

The 13th annual conference co-sponsored by the International Herald Tribune and The Oil Daily

| NOVEMBER 16 |  | NOVEMBER 17 |  |
|-------------|--|-------------|--|
| 08.00       | <b>KEYNOTE ADDRESS</b><br>Daniel Yergin, President, Cambridge Energy Research Associates Inc., and author of "The Prize: The Epic Quest for Oil, Money and Power," winner of the 1992 Pulitzer Prize.  | 09.00       | <b>THE FUTURE OF U.S. ENERGY POLICY</b><br>Bill Burton, Energy Policy Coordinator for the Clinton/Gore '92 Campaign  |
| 09.45       | <b>WORLD OIL OUTLOOK - CHAOS FOR THE PLANNERS?</b><br>Herman E. Hirschman, Economic Advisor of H.E. the Minister of Petroleum & Minerals, Oman<br>James M. Arrowsmith, Senior Economist, Texaco Inc., Harrison, New York<br>Gary N. Ross, Chief Executive Officer, Petroleum Industry Research Associates Inc., New York<br>Keith Hamra, Managing Director, Petroleum Economics Ltd., London | 09.30       | <b>WORLD ECONOMIC OUTLOOK</b><br>Laurence G. Kantor, Vice President & Chief European Economist, J.P. Morgan, London  |
| 11.15       | Coffee   | 10.00       | <b>OIL INDUSTRY RESTRUCTURING - A FINANCIAL REPORT CARD</b><br>Thomas Coleman, Assistant V.P., Energy, Technology and Communications Group, Moody's Investors Service Inc., New York   |
| 11.45       | <b>THE OIL INDUSTRY'S RESPONSE TO THE NEW ENVIRONMENTAL AGENDA</b><br>J. V. Mitchell, Special Advisor to the Managing Directors, British Petroleum Co. plc, London<br>George W. Sarney, Senior Vice President and Group Executive for the Energy and Environmental Group, Raytheon Co., Lexington, Mass.   | 10.30       | Coffee   |
| 12.45       | Lunch - Hosted by KPMG Peat Marwick  | 11.00       | <b>RAISING CAPITAL: WILL FINANCE BE AVAILABLE AND AT WHAT COST?</b><br>Moderator: Nicholas G. Vouris, Consultant, The Hague and London<br>Gerald Pollio, Director, Energy and Environmental Program, The Royal Institute of International Affairs, London<br>Jan F. Price, Senior Vice President and Head of Project & Energy Finance, ABN AMRO Bank, Amsterdam<br>Tormod Røtgaard, Managing Director, International Association of Independent Tanker Owners, Oslo  |
| 14.00       | <b>CORPORATE REORGANIZATION AND RESTRUCTURING: ASSESSING THE TACTICS</b><br>Moderator: Bertel Managing Director, Royal Dutch/Shell Group of Companies, The Hague<br>John R. Hall, Chairman & CEO, Ashland Oil Inc., Ashland, Kentucky<br>Constantina S. Nicandros, President & CEO, Conoco Inc., Houston, and Vice Chairman, Du Pont   | 12.30       | Lunch  |
| 15.45       | Tea  | 13.45       | <b>NEW CHALLENGES IN OIL TRADING</b><br>Moderator: Marshall Thomas, The Oil Daily Group, Washington<br>F. Nigel Graham, Business Development Manager, Neils Petroleum (Products) Ltd., London<br>Robert Mabro, Director, Oxford Institute for Energy Studies<br>Jeff Reardon, Director, Global Commodity Swaps, Merrill Lynch Capital Services Inc., New York<br>R. Patrick Thompson, President, New York Mercantile Exchange<br>Peter Whitbread, Chief Executive, The International Petroleum Exchange of London Ltd. |
| 16.00       | <b>EXPLORATION AND PRODUCTION: PLANNING FOR PROFIT AND CHANGE</b><br>Denise A. Bode, President, Independent Petroleum Association of America, Washington, D.C.<br>Harald Norvik, President & Chairman, Statoil, Stavanger  | 15.15       | <b>NEWLY-EMERGING OIL MARKETS: RISKS AND REWARDS</b><br>Andrei Bugrov, Political Counselor, European Bank for Reconstruction and Development, London<br>Brian A. Lavers, Chairman, Phibro Energy Production Inc., London<br>Andrei Pannikov, President, Urals Moscow, Moscow<br>R. F. Walsh, President, Chevron International Oil Co., San Francisco   |
| 17.00       | <b>THE MOVE TOWARDS NATURAL GAS</b><br>Burchard Bergmann, Member of the Executive Board, Ruhrgas A.G., Essen<br>Kenneth L. Lay, Chairman & CEO, Enron Corp., Houston   | 16.45       | Close of Conference  |
| 18.00       | Cocktail Reception - Hosted by the New York Mercantile Exchange  |             |  |

**REGISTRATION INFORMATION:** The fee for the conference is \$650.00 plus VAT at 17.5%. This includes the cocktail reception, lunches and all conference documentation. Fees are payable in advance. We regret there can be no refund, however, substitutions may be made at any time.

**REGISTRATION FORM:** To register for the conference, please complete the form below and send it to Brenda Hagerty, International Herald Tribune, 63 Long Acre, London WC2E, England.  
Tel: (44 71) 836 4802. Fax: (44 71) 836 0717

Enclosed is a check for £783.75 made payable to the International Herald Tribune  Please invoice

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ACCESS VOYAGES

ACCESS VOYAGES. Includes travel agency advertisements.

LOW COST FLIGHTS

LOW COST FLIGHTS. Includes travel agency advertisements.

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TAX-FREE HAVEN. Includes real estate and investment advertisements.

COMMERCIAL & INDUSTRIAL PROPERTIES

COMMERCIAL & INDUSTRIAL PROPERTIES. Includes real estate advertisements.

ALGARVE - PORTUGAL INVESTORS WANTED

ALGARVE - PORTUGAL INVESTORS WANTED. Real estate investment advertisement.

BUY IN FRANCE COMMERCIAL OR RESIDENTIAL REAL ESTATE

BUY IN FRANCE COMMERCIAL OR RESIDENTIAL REAL ESTATE. Real estate advertisement.

AUCTION SALE AT THE PALAIS DE JUSTICE OF PARIS

AUCTION SALE AT THE PALAIS DE JUSTICE OF PARIS. Real estate auction advertisement.

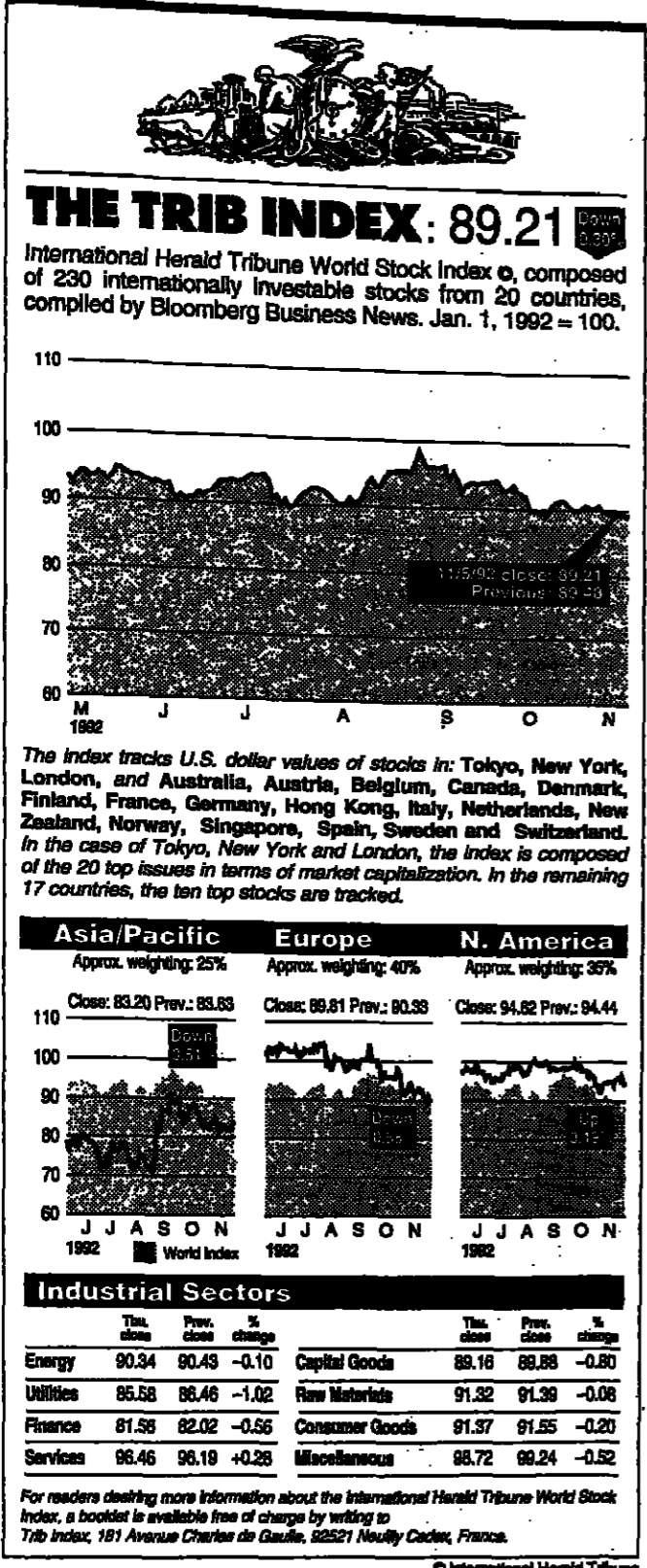
USA - Ft. Lauderdale (Miami), Florida

USA - Ft. Lauderdale (Miami), Florida. Real estate advertisement.

USA - Palm Beach Florida

USA - Palm Beach Florida. Real estate advertisement.

WAL STREET Clearing the Biotech. Large vertical advertisement on the right edge of the page.



## Jobless Claims Decline

### U.S. Data Set A 2-Year Low, Raising Hopes

**WASHINGTON** — New unemployment claims fell in late October to the lowest level in more than two years, the U.S. government reported Thursday, another sign the economy could be stabilizing.

Claims fell by 16,000 to a seasonally adjusted 360,000 in the week ended Oct. 24, the Labor Department said. That was the lowest since the week ended Aug. 4, 1990, near the start of the recession, when 354,000 Americans filed for jobless benefits.

"It looks like a strong mark for the labor market," said Sam Kashin, chief economist at Fuji Securities in Chicago. "If it stays like this for another two to three weeks, it could mean things are picking up." But he added, "The economy is not growing at a steady pace. It is very uneven."

The report gave the dollar a boost, although trading was quiet ahead of Friday's report on U.S. employment for October.

At the New York close, the dollar was trading at 1.5830 Deutsche marks, up slightly from 1.5800 DM on Wednesday. But the U.S. currency slipped against the yen, ending at 122.85, down from 122.98.

A four-week moving average of unemployment claims, considered a more reliable indicator of labor market trends than the usually volatile weekly numbers, also hit a new low. The average was 371,500, the lowest since the four-week period ended Aug. 25, 1990, when the average was 371,000.

Economists cautioned that the number may look more favorable than actual labor market conditions. Since the start of August, some unemployed people have been eligible for benefits under a special emergency program passed by Congress last summer.

And those claimants not included, the latest weekly number would have been 22,456 higher. The moving four-week average would have been 22,745 higher.

However, even factoring in the emergency claims, the trend is still positive, and could presage an improvement in the October unemployment rate.

The rate in September was 7.5 percent, and analysts, on average, have forecast an increase to 7.6 percent for October.

Separately, the Labor Department said minimum labor productivity increased at a 2.6 percent annual rate in the third quarter, up from a revised 1.7 percent gain in the second quarter.

But the main factor in the increase, analysts said, was high unemployment. "Employers just aren't hiring, and they're expecting their remaining employees to work harder and put in overtime," said Marco Babic, an economist at Evans Economics in Washington.

As has been the case for some time, analysts expect the rate to rise in November.

## BT Applauded for McCaw Sale

### A Return to Strategy After Diminishing U.S. Returns

**LONDON** — News of the sale of British Telecommunications PLC's stake in McCaw Cellular Communications Inc., the largest U.S. cellular-phone company, was greeted with considerable relief in London on Thursday.

Ever since BT took its stake two-and-a-half years ago, the price of its holding had slid, as had the market's esteem for BT's pricing judgment. The 22 percent shareholding in McCaw, said Peter Golob, an analyst with Warburg Securities, "was always standing there as a beacon saying 'BT has had it.'"

Having bought its stake for \$1.37 billion and now agreed to sell it to American Telephone & Telegraph Co. for \$1.8 billion, BT has at least excited itself from its largest international acquisition with its dignity and its bank balances intact. Analysts reckon that when the cost of carrying the acquisition are factored in, BT likely broke even on the deal.

What is more, analysts were heartened to see in the sale an affirmation of BT's international strategy, which has been aimed at serving the largest multinational corporations with higher-margin, specially tailored services. The McCaw acquisition had long stood as a contradiction to that strategy, as had BT's earlier investment in Miel Corp., the Canadian telecommunications company that BT eventually sold at a loss.

"McCaw's customers are small businesses, entrepreneurs and anything but major corporations," said Evan Miller, an analyst with Lehman Brothers International.

Many shareholders also wondered about the wisdom of BT's investment, given that U.S. law barred BT from boosting its holding above 25 percent. A minority stake in a company that was expected to grow quickly and swallow immense amounts of cash in the process was widely criticized as lacking logic. A spokesman for BT, Martin O'Connor, said only, "It doesn't really fit with our global strategy."

Despite two unsuccessful acquisitions, Mr. O'Connor said that North America still remained key to BT's international ambitions. It still serves more than half of the world's large, multinational corporations.

Those are the customers BT is keen to sign up for its two-year-old Syncordia operation. Syncordia, based in Atlanta, seeks to provide its customers with one-stop shopping, providing a single bill and enhanced telecommunications services for companies' operations worldwide.

North America is also the site of BT's most successful international foray, the \$355 million acquisition of Time Net, the data transmission network. Analysts say the network, which was bought from McDonnell Douglas Co. in 1989, has earned profits for BT from day one, and now operates in 100 countries.

The big question, now that BT has rediscovered its focus and reclaimed its cash through the

sale of the McCaw stake, is what the company will do with all of its cash. On that there is little agreement. Early speculation has centered on BT buying the 40 percent share of Cellnet, a British cellular phone company, that it does not already own.

Analysts reckon that such a move could cost £1 billion to £1.5 billion (\$1.5 billion to \$2.3 billion). That is sufficiently expensive to cause many observers to speculate that it would not be worthwhile, especially given that BT already has managerial and financial control of Cellnet.

Many analysts expect BT to shop around in the United States for an acquisition. "They've got to go where the big multinational customers are, and that happens to be the U.S.," said Mr. Miller of Lehman.

But many analysts note that the supply of billion-dollar-plus telecommunications companies on the market in the United States is not large. The shopping is considered even tougher in Europe, where local phone monopolies are still protected. "Opportunities for acquisition in Europe are still extremely limited," said John Clarke, an analyst with Daiwa Europe.

Pouring more money into its refocused strategy of serving multinational corporations is a prospect that makes some observers a bit nervous. "They are putting all their eggs in one basket," said Mr. Golob of Warburg.

Others point out that BT's earlier efforts to

See MCCA, Page 13

## Recession Hammers Philips

### To a Loss

#### Electronics Giant Looking at More Restructuring

**EINDHOVEN, Netherlands** — Europe's largest consumer-electronics concern, Philips Electronics NV, said Thursday that it had slid into the red in the third quarter of this year, battered by recession into its first loss since 1990.

Philips, the inventor of the compact disk and the audio cassette, blamed the loss on the depressed consumer-electronics market, which normally accounts for about half its revenue.

This had an adverse impact on its components business, but losses in these two areas were partly offset by better performances in lighting and professional products.

The company's finance director, Henk Appelo, said the Dutch group might launch a new program of restructuring in what remains of the year to try to return the crucial consumer-electronics and components divisions to profitability.

Philips declined to give details of restructuring plans but said they would focus on operations in Europe and the United States, its biggest markets in consumer electronics.

The net loss, of 154 million guilders (\$87.5 million), was worse than analysts had expected and compared with a 188 million guilders net profit from normal business operations in the third quarter of 1991.

The company said it was skipping payment of an interim dividend for the third year in a row. In Amsterdam, Philips' stock price plunged 1.70 guilders to close at 17.40 guilders.

Analysts said Philips would have to shrink to survive.

"The results were dreadful," said Bill Coleman, electronics analyst at James Capel in London. "They were twice as bad as the worst expectations and mean that Philips will have to sell businesses."

What most concerned analysts was a jump in Philips' financing charges, which rose to 464 million guilders in the third quarter from 199 million a year earlier.

"This must worry a lot of people," Mr. Coleman said. "It shows Philips has not got the resources to do major restructuring while pushing ahead with new products."

"I'm more convinced than ever," he added, "that Philips should concentrate on doing what it's best at — lighting and consumer electronics."

Jean-Paul van Bavel, analyst at F. van Lanschot Bank in Den Bosch, agreed. "It's doubtful whether Philips can continue in its current form. It looks like they'll be forced to sell another tranche of Polygram or one of their healthy businesses like medical systems," he said. (Reuters, Bloomberg)

## Japanese Face Blunter U.S. Pressure

**TOKYO** — During the past 12 years of Republican rule in the White House, the U.S. government preached the ideals of free trade while its negotiators in Tokyo twisted arms to get Japan to open its markets, pay a certain share of foreign copyrights or make other "voluntary" concessions. The pretense allowed both nations to contend they were upholding the principles of free trade.

Under a more pragmatic, Democratic government led by Bill Clinton, trade negotiators may feel greater freedom to openly demand results with clear benefits to the U.S. economy. The upshot could be an acceleration of the trend toward managed trade and a blunter, more transparent dialogue with Tokyo.

"We're going to have to tell the

playing field." As a result, the Structural Impediments Initiative talks, in which each side sought to reform the other, could be dropped.

One sign of the tougher approach was Mr. Clinton's support during the campaign for "Super 301" legislation that would encourage Washington to slap tariffs on exports of a country whose markets are deemed closed to American goods. The Super 301 law passed in July that would renew it. The new law, which Mr. Bush had prepared to veto, could be enacted in 1993.

In addition, Mr. Clinton called for exacting \$45 billion over four years in additional tax revenues from foreign companies doing business in the U.S. He also

See CHANGES, Page 13

## WALL STREET WATCH

### Charting the Vital Signs Of the Biotech Companies

**NEW YORK** — Call it a correction or call it a collapse, but by any name, biotechnology stocks have taken a beating this year. This means buying opportunities for investors who believe the growth has hit bottom. But picking winners remains challenging, and traditional valuations like price/earnings ratios are still not relevant for most of the group.

Viren Mehta, an analyst with Mehta & Isaly Worldwide Pharmaceutical Research, has developed two new measures to evaluate these companies, which he calls the research multiple and the price/employee ratio. These are a function of a company's market valuation — total shares outstanding multiplied by the current share price — relative to its research spending and personnel.

Mehta & Isaly is the only investment firm that concentrates exclusively on pharmaceutical stocks, a characteristic owing much to the fact that Mr. Mehta has both a doctorate in pharmacology and an MBA.

"What is essential for success in this industry?" Mr. Mehta asked. "In my opinion, especially when you don't have a historical record to go by, the total number of staff along with the research budget gives you a common basis to compare all these companies across the universe."

Dividing a company's market value by its research and development spending for the previous four quarters yields some interesting comparisons. For example, the research multiple at Amgen Corp. is 55.2 but only 11.4 at Chiron Corp. and 5.0 at Genetics Institute Inc. With the average across 100 biotech companies being 26.1, Amgen is trading at a premium, while the others appear underpriced.

Similarly, dividing market value by the number of research and development employees shows that the market finds each Amgen researcher to be worth \$11.1 million, while his or her counterpart at Chiron is worth just \$1.1 million, and at Genetics Institute a mere \$700,000. The biotech industry average: \$2 million.

Mr. Mehta believes these numbers give a perspective on each company's future market share, on the assumption that research now will translate into products later. Of course, research expenditure is only one measure of a company's prospects. It must have

See CLAIMS, Page 12

## EC Carmakers Accuse Seoul of Protectionism

**BRUSSELS** — European carmakers, saying South Korea blocks imports of foreign cars with unreasonably high duties, asked the EC on Thursday to reconsider the country's privileged status as a developing country.

The European Automobile Manufacturers Association said protectionism made the "Korean market virtually impenetrable to European automobile exports."

The appeal to the EC Commission came several days before Foreign Minister Lee Sang-Deok of South Korea is to open two days of high-level talks with Community officials in Brussels.

Cars imported by South Korea face taxes and duties that put them at a price disadvantage of up to 41 percent against Korean-made automobiles, the industry group said. Also,

EC-made cars are subject to a 15 percent purchase tax while no Korean-made car falls into that category.

As a result, the association said, only 593 European cars were sold in South Korea in the first nine months of 1992, while sales of domestically built vehicles topped 563,000 by the end of August.

As for Korean exports to the EC, they are exempted from the Community's normal import duties under a program aimed at giving trade breaks to countries that are still in the process of development.

"The sanctuary of a closed market allows the Korean automobile industry to use domestic profits as a competitive weapon worldwide," the association said.

It added that Korean carmakers planned to export 360,000 vehicles a year to Western

Europe by 2000. Some 70,000 Korean-produced cars had been exported by the end of August.

In the EC-Korean talks next week, the EC side, led by External Relations Commissioner Frans Andriessen, will insist on better access to the Korean market for EC goods and services, officials said.

Other trade issues include anti-dumping penalties imposed by the EC on Korean electronics, access to Korean rice markets and the status of talks under GATT, officials added.

EC-South Korea trade has quadrupled over the last decade.

In 1991, EC exports to Korea rose by 17 percent — to 7.1 billion European currency units (\$8.8 billion), while imports from Korea grew by 20 percent, to 7.8 billion Ecus, according to EC figures.

## A Revamped Rover Looks to Tune Up Its Image

**BIRMINGHAM** — British manufacturer of British cars, Rover has never in its history looked better," said Karl Ludwig, an industry consultant. Its offerings range from the new Rover coupe to the Land Rover line of upscale, four-wheel-drive vehicles.

One key to that success has been the company's close three-year partnership with Honda Motor Co. Rover has a 20 percent cross shareholding with the Japanese carmaker's British subsidiary and has jointly developed half of its lineup with Honda's engineers. That alliance has also allowed Rover to make steady progress in overcoming a reputation for shoddy quality.

"The dark old days when quality was a real problem are behind them," said Clive Forrester-Walker, an analyst with the brokers Charterhouse Tinsley.

Although Rover staged a hasty retreat from the hotly competitive U.S. car market two years ago, yanking its mass-market Sterling sedans from American distribution and leaving only the Land Rover, it has more than offset that loss by steadily expanding its exports to Continental Europe.

Five years ago, the company sold 70 percent of its vehicles in Britain. Today, nearly half are exported and the goal is to drive that figure to 60 percent over the next two years.

Some analysts see Rover emulating Chrysler Corp., bundling cash and pouring what savings it can wring out of the manufacturing and distribution ends of the business into product development.

Both the successes and the limitations of that effort were in evidence at the Birmingham International Motor Show last month. There, in addition to new Rover models, the company displayed its revived MG sports car, which drew huge crowds, won loving reviews from the critics and is barely tolerated by the company's management.

"It is not really what we are

about," said Mr. Simpson. Indeed, with a planned output of 15 cars a month, the MG is just a sideshow for Rover. The company's executives see the exercise merely as an attempt to keep a cherished brand name alive so that some day, resources permitting, it can be reborn in volume.

Mr. Simpson admits that Rover has done a lot of work on a possible MG rebirth, but concedes that "we have not been able to drag it over the viability line." The problem is that cash is far too scarce and other projects far more central to Rover's ambitions.

It is a clash of objectives and images even more in evidence with Rover's Mini. That car, which still enjoys cult status as far away as Japan, has refused to die in spite of wishful thinking from management. Like the MG, it is a profitable nostalgia item out of keeping with the newer, posher Rover lineup.

In the long term, Rover's success will hinge on its ability to expand on its European beachheads against some of the world's best

luxury car makers. The company's primary target is Germany, the rope's largest car market and the one where, with sales of only 12,500 cars, Rover currently fares worst.

In an already overcrowded German market, Rover's aim is to play up its cars' "Britishness."

It is a notion one analyst defines as meaning "bits of wood on the dash and so on." Mr. Simpson describes the approach as "robustness clothed in elegance," which contrasts to the "aggressive" and less "user-friendly" offerings of German manufacturers.

At the same time that Rover struggles to expand its European sales, it faces growing threats from Japanese producers at home. By next year, Toyota Motor Corp., Nissan Motor Co. and Honda will all be churning out cars in Britain.

Honda will remain a Rover partner, as well as a competitor. The companies plan to continue their program to jointly develop and separately manufacture automobiles.

—ERIK IPSEN

## Mulford Quits Washington for First Boston

**WASHINGTON** — David C. Mulford, the U.S. Treasury under secretary for international affairs, will resign Monday to join First Boston Corp. as vice chairman, the Treasury said.

Mr. Mulford is the first high-level Treasury official to leave the department since President George Bush was defeated.

In addition to his First Boston post in New York, Mr. Mulford will serve as deputy chairman of Credit Suisse First Boston in London, also part of the Swiss-based CS Holding financial group whose core is the bank Credit Suisse. Mr. Mulford will have responsibility for developing business relationships worldwide.

Mr. Mulford has served in his current post since May 1989. (Bloomberg, Reuters)

## CURRENCY & INTEREST RATES

| Cross Rates |        |        |        |        |        |        |        |        |        |
|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|             | 1/2    | 3/4    | 1      | 1 1/4  | 1 1/2  | 1 3/4  | 2      | 2 1/4  | 2 1/2  |
| Australian  | 1.76   | 1.76   | 1.76   | 1.76   | 1.76   | 1.76   | 1.76   | 1.76   | 1.76   |
| British     | 1.60   | 1.60   | 1.60   | 1.60   | 1.60   | 1.60   | 1.60   | 1.60   | 1.60   |
| Canadian    | 1.33   | 1.33   | 1.33   | 1.33   | 1.33   | 1.33   | 1.33   | 1.33   | 1.33   |
| Deutsche    | 1.58   | 1.58   | 1.58   | 1.58   | 1.58   | 1.58   | 1.58   | 1.58   | 1.58   |
| French      | 6.54   | 6.54   | 6.54   | 6.54   | 6.54   | 6.54   | 6.54   | 6.54   | 6.54   |
| Japanese    | 122.85 | 122.85 | 122.85 | 122.85 | 122.85 | 122.85 | 122.85 | 122.85 | 122.85 |
| Swiss       | 1.48   | 1.48   | 1.48   | 1.48   | 1.48   | 1.48   | 1.48   | 1.48   | 1.48   |
| U.S.        | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |

| Eurocurrency Deposits |           |           |           |           |  |  |  |  |  |
|-----------------------|-----------|-----------|-----------|-----------|--|--|--|--|--|
|                       | 1 month   | 3 months  | 6 months  | 1 year    |  |  |  |  |  |
| Dollar                | 5.75-7.00 | 6.00-7.25 | 6.25-7.50 | 6.50-7.75 |  |  |  |  |  |
| DM                    | 6.00-7.25 | 6.25-7.50 | 6.50-7.75 | 6.75-8.00 |  |  |  |  |  |
| Franc                 | 6.25-7.50 | 6.50-7.75 | 6.75-8.00 | 7.00-8.25 |  |  |  |  |  |
| Sterling              | 6.50-7.75 | 6.75-8.00 | 7.00-8.25 | 7.25-8.50 |  |  |  |  |  |
| Yen                   | 6.75-8.00 | 7.00-8.25 | 7.25-8.50 | 7.50-8.75 |  |  |  |  |  |

| Key Money Rates       |         |          |          |        |  |  |  |  |  |
|-----------------------|---------|----------|----------|--------|--|--|--|--|--|
|                       | 1 month | 3 months | 6 months | 1 year |  |  |  |  |  |
| 3-month Treasury bill | 5.75    | 5.75     | 5.75     | 5.75   |  |  |  |  |  |
| 3-month Treasury note | 6.00    | 6.00     | 6.00     | 6.00   |  |  |  |  |  |
| 3-month Treasury bond | 6.25    | 6.25     | 6.25     | 6.25   |  |  |  |  |  |
| 3-year Treasury note  | 6.50    | 6.50     | 6.50     | 6.50   |  |  |  |  |  |
| 3-year Treasury bond  | 6.75    | 6.75     | 6.75     | 6.75   |  |  |  |  |  |
| 10-year Treasury note | 7.00    | 7.00     | 7.00     | 7.00   |  |  |  |  |  |
| 10-year Treasury bond | 7.25    | 7.25     | 7.25     | 7.25   |  |  |  |  |  |

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**DIVIDEND ANNOUNCEMENT**

The General Meeting of shareholders held in Luxembourg on November 5, 1992 has decided to pay a dividend of US \$0.05 per share on November 12, 1992.

Shares will be traded ex-dividend on November 6, 1992.

The dividend is payable to holders of bearer shares against presentation of coupon no 4 to the following bank:

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GRAND DUCHÉ DE LUXEMBOURG

The Board of Directors

MARKET DIARY

Phone Stocks Lead Wall Street Higher

NEW YORK — U.S. stocks rose Thursday, helped by a rally in tobacco and long-distance telecommunication issues and increasing signs that the economy is improving.

The Dow Jones industrial average gained 20.80 points to 3,243.84.

Advancing common stocks outnumbered decliners by about a 7-to-6 margin on the New York Stock Exchange. Volume rose to about 2.21 billion shares from 1.94 billion on Wednesday.

Tobacco stocks rallied on news that attorneys for the plaintiffs in a tobacco-liability lawsuit had voluntarily withdrawn the case brought against Philip Morris, Liggett Group and Lorillard.

Philip Morris gained 3 1/2 to 7 1/2 and RJR Nabisco advanced 1/4 to 8 1/2.

Telecommunication stocks soared following AT&T's decision to acquire a 33 percent stake in McCaw Cellular for \$3.73 billion.

Among over-the-counter stocks, McCaw rose 5 1/4 to 32. Lin Broadcasting surged 9 1/2 to 77 1/2 and ADC Telecommunications rose 2 to 40 1/2.

Even AT&T's stock was up, rising 1 1/4 to 44 1/2; the issue was the second-most active Big Board stock.

MCI, however, fell 1 to 34 1/2 on concern that it may lose market share to AT&T because of the McCaw acquisition.

CLAIMS: Jobs Picture Brightens

(Continued from first finance page) time, people who did not lose their jobs during the recession and its aftermath worked harder to compensate for the output of laid-off colleagues.

In addition to the jobless claims figures, talk of another alignment in the European Monetary System's exchange-rate mechanism before the year is out and a decline in West German industrial orders helped the U.S. currency.

Some dealers said they expected a correction from recent gains. But "all the news seems to be going the dollar's way at the moment," said one U.S. investment bank trader.

The pound slid to \$1.5355, from \$1.5475. (AP, Bloomberg, AFP)

Oil Futures Rebound as OPEC Weighs Cuts

LONDON — Oil-futures prices rebounded in New York and London on Thursday after Algeria's oil minister asked the OPEC president to address the rapid decline in crude prices in the past month.

Overproduction by the Organization of Petroleum Exporting Countries has been the main cause of recent price weakness, traders noted. In September, OPEC set its "market share" for the fourth quarter at 34.2 million barrels per day. However, an International Energy Agency report this week said October production was between 25 and 25.3 million barrels.

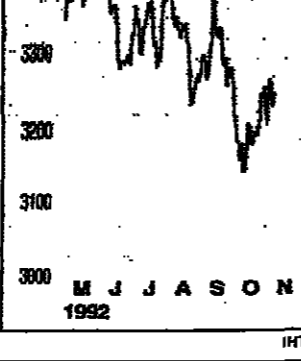
The December Brent crude oil futures contract lost \$1.75 per barrel since Oct. 9.

"We saw classic headline trading today," a broker with Smith Barney said. "Any possibility that OPEC will curb production, even a remote one, must mean higher prices."

In London, Brent crude futures for December settlement on the International Petroleum Exchange finished 23 cents higher at \$19.38 per barrel. West Texas Intermediate crude oil futures for December delivery on the New York Mercantile Exchange closed 29 cents up at \$20.62 per barrel.

The Dow

Daily closings of the Dow Jones Industrial average



NYSE Most Active

Table listing NYSE Most Active stocks with columns for Volume, High, Low, Last, and Change.

AMEX Most Active

Table listing AMEX Most Active stocks with columns for Volume, High, Low, Last, and Change.

NYSE Diary

Not available at press time

AMEX Diary

Not available at press time

NASDAQ Diary

Table listing NASDAQ Diary with columns for Volume, High, Low, Last, and Change.

Dow Jones Averages

Table showing Dow Jones Averages: Industrials, Transp., Utilities, Finance, Commodities, SP 100.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes: Industrials, Transp., Utilities, Finance, Commodities, SP 100.

NYSE Indexes

Table showing NYSE Indexes: Composite, Industrials, Transp., Utilities, Finance, Commodities, SP 100.

NASDAQ Indexes

Table showing NASDAQ Indexes: Composite, Industrials, Transp., Utilities, Finance, Commodities, SP 100.

AMEX Stock Index

Table showing AMEX Stock Index: Composite, Industrials, Transp., Utilities, Finance, Commodities, SP 100.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages: 30 Bonds, 10 Industrials.

Market Sales

Table showing Market Sales: NYSE p.m. volume, AMEX p.m. volume, NASDAQ p.m. volume, NASDAQ adv. p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading: Nov. 4, Nov. 5, Nov. 6, Nov. 7, Nov. 8, Nov. 9, Nov. 10, Nov. 11, Nov. 12, Nov. 13, Nov. 14, Nov. 15, Nov. 16, Nov. 17, Nov. 18, Nov. 19, Nov. 20, Nov. 21, Nov. 22, Nov. 23, Nov. 24, Nov. 25, Nov. 26, Nov. 27, Nov. 28, Nov. 29, Nov. 30, Dec. 1, Dec. 2, Dec. 3, Dec. 4, Dec. 5, Dec. 6, Dec. 7, Dec. 8, Dec. 9, Dec. 10, Dec. 11, Dec. 12, Dec. 13, Dec. 14, Dec. 15, Dec. 16, Dec. 17, Dec. 18, Dec. 19, Dec. 20, Dec. 21, Dec. 22, Dec. 23, Dec. 24, Dec. 25, Dec. 26, Dec. 27, Dec. 28, Dec. 29, Dec. 30, Jan. 1, Jan. 2, Jan. 3, Jan. 4, Jan. 5, Jan. 6, Jan. 7, Jan. 8, Jan. 9, Jan. 10, Jan. 11, Jan. 12, Jan. 13, Jan. 14, Jan. 15, Jan. 16, Jan. 17, Jan. 18, Jan. 19, Jan. 20, Jan. 21, Jan. 22, Jan. 23, Jan. 24, Jan. 25, Jan. 26, Jan. 27, Jan. 28, Jan. 29, Jan. 30, Feb. 1, Feb. 2, Feb. 3, Feb. 4, Feb. 5, Feb. 6, Feb. 7, Feb. 8, Feb. 9, Feb. 10, Feb. 11, Feb. 12, Feb. 13, Feb. 14, Feb. 15, Feb. 16, Feb. 17, Feb. 18, Feb. 19, Feb. 20, Feb. 21, Feb. 22, Feb. 23, Feb. 24, Feb. 25, Feb. 26, 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# Lower Prices Hit BP Profit, But Results Beat Forecasts

Compiled by Our Staff From Dispatches  
**LONDON** — British Petroleum Co. reported Thursday a net profit of £117 million (\$182 million) on a historic-cost basis for the third quarter, down 25 percent from a year earlier but better than expected.

BP said the historic-cost account for the quarter included a stockholding loss of £55 million, compared with gains in the preceding and year-earlier quarters. Earnings of other major oil companies have come under pressure from declining oil prices. Analysts had expected a historic net profit of about £106 million at BP.

On a replacement-cost basis, third-quarter profit rose to £172 million from £129 million a year earlier, mainly because of lower interest charges and tax charges. Earnings on a historic-cost basis are adjusted to reflect changes in the value of oil held in storage, while those on a replacement-cost basis are not.

The company also said it would halve its third-quarter dividend to 2.1 pence per share, from 4.2 pence a year earlier. That brings its dividend so far this year to 8.4

pence, down from 12.6 pence in the year-earlier period.

BP said its U.S. exploration and production operations reported slightly lower production in the third quarter, which was offset by higher prices, while in Britain, increased oil production helped to offset a reduction in gas production.

It said third-quarter oil production benefited from new output from the Miller field in Britain and the Kutubu field in Papua New Guinea, which came on stream in June. But BP said gas production was affected by lower purchases by British Gas PLC, which is one of BP's major customers in Britain, and the sale of BP Canada.

Upstream oil and gas production will continue to recover from a mid-year seasonal low, BP said, helped by output from the Miller and Kutubu fields. For the medium term, BP expects hydrocarbon production to be broadly maintained at 1992 levels.

But the company said its downstream trading conditions were likely to remain difficult because of the recession and overcapacity in key markets. In the United States,

the introduction of oxygenate blending into gasoline in the fourth quarter will reduce demand on the refining system and put pressure on U.S. margins, BP said.

BP's immediate outlook for its chemicals division is limited by overcapacity, particularly in Britain and Europe. BP said it would continue to reduce worldwide costs and focus on its asset portfolio.

BP said it expected to sell £1.5 billion of assets this year.

For the first nine months of the year, BP posted a historic-cost net loss of £594 million, compared with a profit of £409 million.

The replacement-cost loss was £545 million, versus a profit of £363 million, reflecting continued poor margins in downstream oil and chemical businesses.

Third quarter replacement-cost operating profit for refining and marketing fell to £101 million from £190 million. In the nine months it slumped to £256 million from £841 million.

On the London Stock Exchange, BP shares rose 3 pence on Thursday, to 225 pence.

(Bloomberg, APX)

# Sweden Acts To Protect Its Troubled Banks

**Stockholm** — Sweden announced on Thursday unlimited financial guarantees for its banking sector, setting up a safety net for its troubled commercial and savings banks.

Sweden's financial sector, hit by bankruptcies and soaring credit losses, has not yet shown any sign of recovery, and the government said it had acted to restore domestic and foreign trust.

Officials said credit losses by Swedish banks would reach around 50 billion kronor (\$8.5 billion) in 1992, compared with 35 billion kronor in 1991.

The government said it would offer banks and state-connected mortgage institutes loans and guarantees to cover future credit losses and losses on return on assets, in addition to guarantees to protect new capital issues.

The aid was conditional on the banks' submitting to restructuring plans if necessary.

# KLM Predicts Loss For Year as Net Falls

Compiled by Our Staff From Dispatches  
**AMSTERDAM** — KLM Royal Dutch Airlines, fighting to stay profitable amid a fare war, reported Thursday a 12 percent decline in second-quarter profit and said it expected to join many of its rivals in the red over the full year.

Net profit in the quarter ended Sept. 30 fell to 170.1 million guilders (\$96 million), from 192.5 million in the same period of 1991.

KLM said it faced a loss in the year ending March 31, 1993, because of stiff competition and further losses at U.S.-based Northwest Airlines, in which the Dutch carrier has a 20 percent stake. Cost-cutting measures and new growth in traffic will not compensate, it added.

Most industry analysts had expected earnings to be halved from the year-earlier quarter. They said that KLM, which made a 125 million guilder net profit in its 1991-92 financial year, could show a similar-sized loss for the current year.

A year ago, the Dutch carrier impressed investors by saying it had nearly quadrupled profit in its busy summer season, while many other airlines managed only to trim

their losses in the wake of the Gulf crisis-induced slump in air travel.

Now KLM has slashed fares to the United States and Asia to try to fill seats amid the economic slump.

Second-quarter earnings were boosted by a 1.55 million guilder extraordinary gain from the sale of an express parcel service in 1989.

Revenue in the three months totaled 2.29 billion guilders, up from 2.16 billion a year earlier.

Separately, a U.S. congressman said Thursday that Northwest and KLM have submitted confidential documents to the U.S. government outlining KLM's intent to inject new money into Northwest.

KLM officials denied a published report on Wednesday that they were ready to inject up to \$500 million into Northwest. But Representative James Oberstar, Democrat of Minnesota, said documents submitted in September to the Department of Transportation showed that KLM had proposed a substantial equity investment.

KLM shares seessoled on the Amsterdam stock exchange before ending 0.40 of a guilder higher at 22.50 each.

(Reuters, AP)

# Investor's Europe

| Frankfurt DAX | London FTSE 100 Index | Paris CAC 40 |
|---------------|-----------------------|--------------|
| 1900          | 2800                  | 2100         |
| 1800          | 2700                  | 2000         |
| 1700          | 2600                  | 1900         |
| 1600          | 2500                  | 1800         |
| 1500          | 2400                  | 1700         |
| 1400          | 2300                  | 1600         |
| 1300          | 2200                  | 1500         |
| 1200          | 2100                  | 1400         |
| 1100          | 2000                  | 1300         |
| 1000          | 1900                  | 1200         |
| 900           | 1800                  | 1100         |
| 800           | 1700                  | 1000         |
| 700           | 1600                  | 900          |
| 600           | 1500                  | 800          |
| 500           | 1400                  | 700          |
| 400           | 1300                  | 600          |
| 300           | 1200                  | 500          |
| 200           | 1100                  | 400          |
| 100           | 1000                  | 300          |
| 0             | 900                   | 200          |

| Exchange  | Index              | Thursday Close | Prev. Close | % Change |
|-----------|--------------------|----------------|-------------|----------|
| Amsterdam | CBS Trend          | 102.60         | 102.30      | +0.29    |
| Brussels  | Stock Index        | 5,569.11       | 5,610.34    | -0.73    |
| Frankfurt | DAX                | 1,480.93       | 1,472.69    | +0.56    |
| Frankfurt | FAZ                | 584.95         | 586.04      | -0.19    |
| Helsinki  | HEX                | 827.66         | 838.84      | -1.31    |
| London    | Financial Times 30 | 2,098.20       | 1,999.70    | +0.48    |
| London    | FTSE 100           | 2,711.70       | 2,691.70    | +0.74    |
| Madrid    | General Index      | 200.10         | 200.14      | -0.02    |
| Milan     | MIB                | 851.00         | 853.00      | -1.39    |
| Paris     | CAC 40             | 1,804.70       | 1,804.07    | +0.03    |
| Stockholm | Affarsvaerlden     | 796.38         | 803.29      | -0.86    |
| Vienna    | Stock Index        | 360.77         | 363.15      | -0.66    |
| Zurich    | SBS                | 647.80         | 646.70      | +0.17    |

Sources: Reuters, AFP  
International Herald Tribune

# Very briefly:

- Hanson PLC dropped out of the race for Ranks Hovis McDougall PLC, saying it would not raise its £790 million (\$1.22 billion) hostile offer, which was trumped by an agreed bid of £920 million from Tomkins PLC.
  - Germany's current-account deficit widened to 4.2 billion Deutsche marks (\$2.8 billion) in September, from a revised 1.9 billion DM deficit in August. The trade surplus declined to 5.6 billion DM in September from 5.7 billion DM in August.
  - Sun Alliance Group PLC and Cimb Corp. of the United States said in a joint statement that they would partly cut stakes held in each other, a move involving two major offers of stock.
  - Backer Spielvogel Bates Worldwide Inc. appointed Michael Bungy president and chief operating officer, a new post; Mr. Bungy had been chairman of BSB Europe.
  - Alcatel-Alsthon, leading a consortium of French companies, has won a 5.2 billion franc (\$980 million) contract to build Cairo's second underground railroad line.
  - Smith & Nephew PLC has sold its Solopak generic-pharmaceuticals division for \$13.5 million to Solopak Pharmaceuticals Inc., a corporation organized by the New York-based investment firm Wells, Carson, Anderson & Stowe.
  - Barmag AG has bought 51 percent of IVV Ingenieurgesellschaft für Verkehrstechnik und Verkehrssicherung GmbH for an undisclosed price.
  - Elektrowatt AG is offering minority shareholders in Moor Finanz AG 150 Swiss francs (\$107) per bearer share ahead of a restructuring of the Moor group.
- AFP, Bloomberg, Reuters

# BIOTECH: Picking Winners

(Continued from first finance page)

enough cash on hand, or operating cash flow, to survive long enough for its drugs to obtain Food and Drug Administration approval and reach the market. At least 15 biotech companies now generate positive cash flow.

"We do not want to invest in any company that does not have enough cash to last at least two years without going back to the market," said selling additional stock, Mr. Mehta said.

Analysts have typically divided biotech companies into tiers — first tier, second tier, and so on — depending on their distance from having a marketable product. But that method has proved unreliable.

Mr. Mehta said he believes it is now more useful to divide the companies by therapeutic categories, like cardiovascular, inflammation or cancer. Large diverse companies, like Amgen and Chiron, go into a separate category called major biotech. Smaller companies with diverse efforts are listed by the effort most critical to their success.

Within each category, a company can be evaluated against its peers, using the research multiple and price/employee ratio. Investors can also use the therapeutic classes to spread risk.

The research multiple and price/employee ratio quantify research resources and scientific commitment, two essential ingredients for success, Mr. Mehta said.

Mr. Mehta & Isaly has buy recommendations on Chiron, Immunex, Genzyme, Biogen and Genetics Institute, in major biotech; Elan and Cytus Therapeutics, in drug delivery; Biochem Pharma, Biota Holdings and Immuno, in infections; Cytel, in inflammation; Vertex Pharmaceuticals and Isis Pharmaceuticals, in drug design; Ares-Serono and Alton, in enzyme/metabolism, and Cambridge Neuroscience, in central nervous system.

# MCCAW: Sale by BT Is Praised

(Continued from first finance page)

signed up Deutsche Telekom and Nippon Telegraph & Telephone Corp. of Japan as partners for the Syncoordia unit with no success, leaving BT to carry a potentially very expensive ball by itself.

In London trading on Thursday, BT's shares rose 6 pence, to 382 pence each.

■ **McCaw Reports a Loss**

McCaw posted Thursday a third-quarter loss of \$77.7 million, compared with net income of \$77 million a year earlier, Bloomberg Business News reported from Kirkland, Wash.

But revenue rose to \$448 million from \$350.7 million, and cash flow gained to \$155.4 million from \$107.8 million. The increase re-

lected continued growth in cellular subscribers, McCaw said. McCaw said its cellular-operations sales rose 29 percent, to \$331.47 million.

Results in the 1991 period included a one-time gain of about \$243 million from the sale of Midwest cellular properties to Bell-South Corp.

Separately, Nyx Corp. and Southwestern Bell Corp. said they did not oppose AT&T's proposed investment in McCaw. The investment would allow AT&T to compete against the seven "Baby Bell" telephone companies, including Nyx and Southwestern, in the cellular industry.

The investment may mark the first step in allowing the Baby Bells into the long-distance telephone market.

# Sugar Bids to Take Amstrad Private

Compiled by Our Staff From Dispatches  
**LONDON** — Alan Sugar, founder and chairman of Amstrad PLC, on Thursday moved to take the British electronics company private by offering 30 pence a share for the two-thirds of Amstrad he does not own.

If the offer is taken up by all Amstrad shareholders, it would cost Mr. Sugar about £113 million (\$174 million).

Mr. Sugar said the move would make it easier to restore the company to profitability and said he was the best candidate for the job.

"I firmly believe it would be better for Amstrad to withdraw from the public arena and take the necessary action to re-establish itself out of the spotlight," Mr. Sugar said.

The company's profits have declined rapidly since 1988 as competitors caught up with its innovative products, and "the cold reality is that Amstrad cannot identify its next blockbuster" product, Mr. Sugar said.

Analysts said shareholders had little choice but to accept Mr. Sugar's bid, even though the price, which values the company at about £170 million, represents only about 65 percent of Amstrad's asset value.

But County Natwest noted that Amstrad's asset value had been shrinking, business conditions remained difficult and earnings were unlikely to turn positive until 1994.

(Reuters, APX)

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(Reuters, APX)

# GATT: U.S. Vows Stiff Tariffs on Some EC Imports

(Continued from page 1)

States was not looking for an all-out trade war with the Community.

"We're not going to engage in a trade war just because we've got some tough fighters over here on our side," Mr. Bush said at the start of his first cabinet meeting since his election defeat. "No trade war. Just looking after the interest of world trade."

President-elect Bill Clinton, in Little Rock, Arkansas, had no immediate reaction.

"I don't want to comment on it," Mr. Clinton said. "I'll review it. We've got one president. He has to make those decisions. I don't want to get in the way."

Earlier, however, his chief spokesman, George Stephanopoulos, said Mr. Clinton generally believed that "if foreign countries won't open up their markets, we have to get tough."

Unless negotiations between Washington and Brussels resolve the issue before Mr. Bush's term ends, the dispute will be one of the first difficult challenges facing Mr.

Clinton when he takes office on Jan. 20.

The threatened U.S. import duties to be slapped on European white wine would effectively triple the price of white wine in the United States. France is the principal European supplier of white wine, with smaller amounts coming from Italy and Germany. Neither red wine nor sparkling wine would be subject to the initial 200 percent tariffs.

Besides white wine imports, which constitute 90 percent of the U.S. sanctions, Washington also plans to slap duties on its EC imports of wheat, grain and rapeseed oil, which mainly come from Germany.

Washington acted only a day after Brussels blocked a U.S. move to win official GATT backing for its sanctions. Arthur Dunkel, GATT's director-general, expressed "grave concern" about the U.S. action, but said he was still hopeful that further negotiations would settle the matter.

The United States, supported by such other farm exporters as Argentina, Brazil, Canada, India and Sweden, has been trying to persuade the Community to cut its subsidized output of oilseeds for years. Neutral GATT panels have twice ruled that the EC subsidies violate trading rules and harm other farmers.

But EC officials, although saying they are willing to continue negotiations aimed at restricting European oilseed output, contend that Washington is being too unyielding in its demands.

In addition to the narrow argument over oilseeds, the United States and the Community have been battling on a broader front over Europe's entire farm subsidy program. The trench warfare has left the sweeping effort to rewrite global trade rules — the Uruguay Round being held under the aegis of the General Agreement on Tariffs and Trade — bogged down for two years past its planned completion date.

# CHANGES: A Firmer Approach

(Continued from first finance page)

wants to step up government surveillance of lobbyists for foreign concerns, many of which are Japanese.

It is far from certain whether a tougher approach would make much of a dent in Tokyo's trade surplus with Washington. The surplus seems intractable because the bulk of it is auto-related exports, a field already heavily managed. Tokyo's 1991 trade surplus of \$38.5 billion looks set to grow 20 percent this year as the Japanese recession cuts imports.

Moreover, even if Washington trade negotiators come to Tokyo wielding a bigger stick, the ability of Tokyo to pressure its industries to deliver in the midst of a recession is limited. Japanese industry already resists having to adopt "voluntary" measures, especially since they believe the U.S. failed to do much to boost its competitiveness while Tokyo held back.

Also, Japan, like most nations, opposes the concept of unilateral sanctions inherent in Super 301

and would likely react by complaining to the General Agreement on Tariffs and Trade.

One option would be a stronger yen, which would make Japanese products more expensive in America and U.S. exports cheaper in Japan. There have been rumors that some of Mr. Clinton's advisers would like to see the yen near 100 to the dollar.

Mr. Clinton could be forced to act quickly on trade issues, to prevent leadership being usurped in Congress by protectionist-leaning legislators such as Representative Richard A. Gephardt, Democrat of Missouri. "He could see Clinton move rapidly on 301 to remain ahead of Gephardt," Mr. Orr said.

The first clash could come over China, where Mr. Clinton has threatened to strip most-favored-nation status until Beijing improves its human rights record. Tokyo's ties with Beijing, reinforced by Emperor Akihito's six-day visit to China last month, are rapidly expanding. If Washington lashes out against Beijing, Tokyo could feel the heat.

# COMPANY RESULTS

| Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated. | Year        | 1992  | 1991  | 1990  | 1989  | 1988  | 1987  |
|---|-------------|-------|-------|-------|-------|-------|-------|
| <b>Australia</b>  | 3rd Quarter | 1992  | 1991  | 1990  | 1989  | 1988  | 1987  |
| News Corp   | Revenue     | 2,200 | 2,100 | 2,000 | 1,900 | 1,800 | 1,700 |
| Profit  | 100         | 100   | 100   | 100   | 100   | 100   | 100   |
| <b>Germany</b>  | 3rd Quarter | 1992  | 1991  | 1990  | 1989  | 1988  | 1987  |
| MAN   | Revenue     | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Profit  | 100         | 100   | 100   | 100   | 100   | 100   | 100   |
| <b>Netherlands</b>  | 3rd Quarter | 1992  | 1991  | 1990  | 1989  | 1988  | 1987  |
| Philips   | Revenue     | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Profit  | 100         | 100   | 100   | 100   | 100   | 100   | 100   |
| <b>United States</b>  | 3rd Quarter | 1992  | 1991  | 1990  | 1989  | 1988  | 1987  |
| Burlington Industries   | Revenue     | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Profit  | 100         | 100   | 100   | 100   | 100   | 100   | 100   |

# REPUBLIC NEW YORK CORPORATION

Consolidated Statements of Condition

| Assets  | September 30, 1991 |              | September 30, 1992 |              |
|---|--------------------|--------------|--------------------|--------------|
|   | 1991               | 1992         | 1991               | 1992         |
| Cash and due from banks   | \$ 472,915         | \$ 392,825   | \$ 971,479         | \$ 857,229   |
| Interest bearing deposits with banks                                | 7,143,469          | 8,493,749    | 106,474            | 101,037      |
| Precious metals   | 399,226            | 395,262      | 8,955,757          | 9,194,717    |
| Investment securities   | 11,149,136         | 8,589,319    | 8,999,109          | 10,570,215   |
| Federal funds sold and securities purchased under resale agreements | 653,769            | 160,116      | 16,032,819         | 20,723,196   |
| Loans, net of unearned income                                       | 2,655,342          | 1,013,599    | 4,638,112          | 1,905,567    |
| Allowance for possible loan losses                                  | 7,952,041          | 8,538,818    | 1,345,652          | 1,815,881    |
| Loans (net)   | (241,081)          | (228,962)    | 3,188,092          | 210,137      |
| Customers' liability on acceptances                                 | 1,342,994          | 1,606,529    | 503,547            | 478,400      |
| Premises and equipment  | 379,134            | 372,121      | 885,298            | 1,059,149    |
| Accrued interest receivable   | 297,896            | 360,092      | 2,524,559          | 1,784,900    |
| Investment in affiliates  | 573,746            | 514,799      | 1,881,049          | 1,165,684    |
| Other assets  | 632,796            | 672,789      |                    |              |
| Total assets  | \$33,381,183       | \$30,883,052 | \$33,381,183       | \$30,883,052 |

The portion of the investment in precious metals not hedged by forward sale was \$3.4 million and \$6.9 million in 1992 and 1991, respectively.

Consolidated Statements of Results

| Summary of Results                               | Nine months ended September 30, 1991 |            | Three months ended September 30, 1991 |           |
|--|--------------------------------------|------------|---------------------------------------|-----------|
|  | 1991                                 | 1992       | 1991                                  | 1992      |
| Net income                                       | \$ 192,055                           | \$ 169,133 | \$ 67,752                             | \$ 58,062 |
| Cash dividends declared on common stock          | \$ 39,169                            | \$ 36,313  | \$ 13,086                             | \$ 12,145 |
| Per common share                                 |                                      |            |                                       |           |
| Net income                                       | \$ 3.28                              | \$ 2.95    | \$ 1.16                               | \$ .99    |
| Primary  | \$ 3.21                              | \$ 2.92    | \$ 1.13                               | \$ .97    |
| Fully diluted                                    | \$ .75                               | \$ .70     | \$ .25                                | \$ .23    |
| Cash dividends declared                          |                                      |            |                                       |           |
| Average common shares outstanding (in thousands) | 52,156                               | 51,785     | 52,329                                | 52,035    |
| Fully diluted                                    | 55,966                               | 53,714     | 56,145                                | 55,869    |

# SAFRA REPUBLIC HOLDINGS SA LUXEMBOURG

Consolidated Statements of Condition

| Assets                               | September 30, 1991 |             | September 30, 1992 |              |
|--------------------------------------|--------------------|-------------|--------------------|--------------|
|                                      | 1991               | 1992        | 1991               | 1992         |
| Cash and due from banks              | \$ 48,314          | \$ 80,932   | \$ 6,357,713       | \$ 5,991,428 |
| Interest bearing deposits with banks | 3,719,832          | 3,487,809   | 617,790            | 948,202      |
| Precious metals                      | 676                | 676         | 5,975,503          | 6,939,530    |
| Investment securities                | 5,074,403          | 3,767,540   | 1,308,169          | 445,117      |
| Trading account securities           | 22,219             | 6,556       | 2,153              | 86,832       |
| Loans, net of unearned income        | 1,249,035          | 1,240,637   | 117,612            | 52,440       |
| Allowance for possible loan losses   | (54,267)           | (12,447)    | 647,800            | 240,589      |
| Loans (net)                          | 1,194,768          | 1,228,190   |                    |              |
| Customers' liability on acceptances  | 2,153              |             |                    |              |
| Premises and equipment               | 71,441             | 48,284      |                    |              |
| Accrued interest receivable          | 96,451             | 112,275     |                    |              |
| Other assets                         | 84,593             | 90,855      |                    |              |
| Total assets                         | \$10,297,170       | \$8,823,117 | \$10,297,170       | \$8,823,117  |

Liabilities and Shareholders' Equity

| Liabilities and Shareholders' Equity  | September 30, 1991 |      | September 30, 1992 |             |
|---|--------------------|------|--------------------|-------------|
|   | 1991               | 1992 | 1991               | 1992        |
| Client deposits   |                    |      | 6,357,713          | 5,991,428   |
| Bank deposits   |                    |      | 617,790            | 948,202     |
| Total deposits  |                    |      | 6,975,503          | 6,939,530   |
| Short-term borrowings   |                    |      | 1,308,169          | 445,117     |
| Acceptances outstanding   |                    |      | 2,153              | 86,832      |
| Accrued interest payable  |                    |      | 117,612            | 52,440      |
| Other liabilities   |                    |      | 72,795             | 52,440      |
| Long-term debt  |                    |      | 647,800            | 240,589     |
| Shareholders' Equity  |                    |      |                    |             |
| Common stock, US\$ 5 par value, 200,000 shares authorized; 17,701 shares outstanding in 1992 and 17,795 in 1991 |                    |      | 89,155             | 89,155      |
| Surplus   |                    |      | 819,830            | 819,588     |
| Retained earnings   |                    |      | 211,038            | 155,054     |
| Foreign currency translation (1)  |                    |      | 60,035             | (3,902)     |
| Less: 130 shares held in treasury in 1992 and 32 in 1991, at cost   |                    |      | (6,518)            | (1,396)     |
| Total shareholders' equity (1)  |                    |      | 1,173,540          | 1,058,509   |
| Total liabilities and shareholders' equity  |                    |      | \$10,297,170       | \$8,823,117 |
| Book value per share (1)  |                    |      | \$ 66.28           | \$ 59.47    |

(1) Due to the appreciation of the US dollar subsequent to September 30, 1992, the foreign currency translation gain has decreased to \$19,234 as of October 21, 1992. On this basis, total shareholders' equity is \$1,132,539 and the book value per share is \$



Tata Net Battered By Costs Steel Firm's Woes Hit Indian Stocks

BOMBAY — Tata Iron & Steel Co., India's biggest private-sector company, said Thursday that first-half profit had tumbled as the government's drive to liberalize the economy — including a devaluation of the rupee — raised costs.

Net profit for April-September period fell to 502.2 million rupees (\$17.7 million), from 1.04 billion rupees in the same 1991 period.

Chairman Russi Mody of TISCO, as the company is known, said that "steep cost escalations outside the company's control" caused the slump in profit, despite a 28 percent rise in sales to 15.37 billion rupees from a revised 12 billion a year earlier.

India's steel, construction, cement and auto industries have been hurt by recession in parts of the economy.

TISCO's profit was squeezed by substantial increases in government-controlled services, the company said, with prices for rail freight, power and petroleum products rising sharply, as well as by the impact on prices of imported raw materials of the 22 percent devaluation of the rupee last year.

China's Growing Phone Habit Helps H.K. Telecom

HONG KONG — Hong Kong Telecommunications Ltd., profiting from the boom in telephone traffic between Hong Kong and China, said Thursday that its after-tax profit had surged 15.7 percent in the most recent half year, to 3.17 billion Hong Kong dollars (\$466.4 million).

The impressive result lifted the Hong Kong stock market to a record closing high. Hong Kong Telecom's share price climbed 25 cents to 9.35 dollars. This contributed 16.5 points of the 22.4-point increase in the Hang Seng index, to 6,347.77.

Hong Long Telecom, which is 58.4 percent owned by Britain's Cable & Wireless PLC, said its revenue rose 18.5 percent to 10.54 billion dollars in the first half, ended Sept. 30, of its business year.

Calls to China increased by 36 percent in the six months compared with the year-earlier period. Such calls now make up 44 percent of all Hong Kong Telecom's international calls as measured by minutes, and provide 26 percent of revenue.

Hongkong Telecom said its revenue from international telephone services rose 24 percent to 6.65 billion dollars and revenue from local telephone services increased 8 percent to 1.42 billion dollars.

"These results were very much on the high end of expectations," said Angus Baxter, managing director for securities trading at Smith New Court Far East.

Hong Kong Telecom's chief executive, Michael Gale, said he expected profit growth in the year ending March 31, 1993, to be in line with the first-half increase.

But a planned reduction in the company's international call charges by 8 percent early next year will hurt its bottom line in the following business year, he added. That reduction was part of a regulatory agreement with the Hong Kong government struck this summer.

Under an agreement with the colonial government, Hong Kong Telecom has the exclusive license to provide the territory's international call network until the year 2006.

Hong Kong Telecom is also facing pressure because it will lose its monopoly on domestic fixed line telephone services in 1995.

Faced with these stresses the company is looking to the China market as the source of much of its future growth.

Mr. Gale said that China plans to rapidly develop its telephone network so that there will be 40 lines per 100 people in major cities like Beijing, Shanghai and Guangzhou by the end of the century. Currently there are around 15-17 per 100 people in some of the big cities and only 1.5 per 100 nationwide.

"The impact upon us here in Hong Kong will be quite significant because our consumers are able to call China and vice-versa," Mr. Gale said. "So a huge potential for growth there."

Hong Kong Telecommunications is eager to invest in telephone services in China but an imminent liberalization of the market there to allow this does not seem likely, Mr. Gale said.

But he disclosed that Hongkong Telecom had major plans for investing in China when the time comes. "We have our own ideas of what we would like to do, where we would like to do it and when but they're not for publication," the executive said.

Hong Kong Telecom is 20 percent owned by China International Trust & Investment Corp. Hong Kong, part of one of China's largest state-owned entities. It has increasingly close links with China through technology transfer, training and project finance arrangements.

Hong Kong analysts say the stock is particularly favored by investors in the United States, who see Hong Kong Telecom as a conservative and well managed company with a transparency in its dealings that is lacking in some other major Hong Kong enterprises.

Mitsubishi Motors Profit Off

TOKYO — Mitsubishi Motors Corp. said Thursday that a sluggish Japanese economy caused pretax profit to fall 27 percent to 18.35 billion yen (\$149 million) in the half-year ended Sept. 30.

Mitsubishi forecast pretax profit in the full year to March 1993 would fall 8 percent to 46.5 billion yen, its first year-on-year drop in five years.

Until now, Mitsubishi — the largest Japanese automaker outside the Big Three of Toyota, Nissan and Honda — has bucked the trend of declining earnings in the auto industry, posting a modest 1.6 percent rise in pretax profit last year.

Still, as its competitors fight off losses caused by the worst global auto slump in decades, Mitsubishi remains in the black. In contrast to Mitsubishi's 46 billion yen profit, the second-leading carmaker, Nissan Motor Co., last week posted a 14.2 billion yen pretax loss, its first since Nissan was listed in 1951.

Property Earnings Join Slide

TOKYO — The hard times hitting Japan's real estate industry are beginning to put pressure on earnings at Mitsubishi Estate, Japan's most prestigious landlord and the owner of New York's Rockefeller Center.

Sluggish sales of apartment buildings, a new property tax and slack demand for office space caused current profit for the half-year ended Sept. 30 to decline 10.69 percent to 32.7 billion yen (\$266 million), from 36.6 billion yen.

Mitsubishi may stand out as one of the few Japanese real estate companies that is still churning out relatively strong profits. But analysts say that depressed conditions in Japan's real estate market, suffering from sharply falling land prices, are likely to erode Mitsubishi's profits even more in the coming months.

That Mitsubishi Estate has been able to maintain a profit while other Japanese property developers are going bankrupt in record numbers stems in large part from its land holdings in Tokyo's business district.

\$1 Billion Forestry Deal For Thai Firm in China

HONG KONG — Soon Hua Seng Group of Thailand signed Thursday a \$1 billion deal with China to plant forests and build pulp and paper factories to process the wood in the southern province of Guangdong.

In what was described as the largest single Thai investment in China, Soon Hua Seng plans to grow eucalyptus and acacia trees on a total area of 32,400 hectares (79,900 acres) near the eastern coastal city of Shanwei. The trees will be harvested to produce wood chips and paper. The land will be leased to the company for 50 years.

The project also includes construction of a wood-chip factory, pulp factory and paper factory in Shanwei.

Malaysia Attacks Austria on Timber

KUALA LUMPUR — Malaysia has protested to GATT and sought its views on how to fight an Austrian effort to have tropical timber products labeled, government officials said Thursday.

On behalf of the Association of South East Asian Nations, Malaysia submitted the protest to the council of the General Agreement on Tariffs and Trade in Geneva on Wednesday.

"This is just the first part of a series of attacks," a government official said, adding that the group would "fight Austria tooth-and-nail."

Primary Industries Minister Lim Keng Yik last week called for a joint ASEAN effort against Austria's initiative, saying the outcome would affect tropical-timber producers in the developing world.

Mr. Lim said GATT should understand that Austria could have an ulterior motive, as it produces 12 million cubic meters (375.78 million cubic feet) of temperate timber products.

Investor's Asia table with columns for Hong Kong Hang Seng, Singapore Straits Times, Tokyo Nikkei 225, and various regional indices with their respective values and changes.

- Very briefly: News Corp. Rupert Murdoch's international media flagship, announced an 82 percent rise in first-quarter profit, to 193.7 million Australian dollars (\$133.7 million), as almost all its operations around the world produced gains.

Advertisement for International Fund Investment magazine. Features the headline 'The World in Their Hands' and 'The Power of the Fund Industry'. Includes a coupon for a free trial issue and subscription information.

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NYSE

Thursday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

Table with columns: High, Low, Last, Change, Volume. Lists various stock prices and market activity.

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Table with columns: High, Low, Last, Change, Volume. Lists various stock prices and market activity.

NYSE High-Lows

Table listing NYSE High-Lows with columns: NEW HIGHS and NEW LOWS, listing stock symbols and prices.

AMEX High-Lows

Table listing AMEX High-Lows with columns: NEW HIGHS and NEW LOWS, listing stock symbols and prices.

Table listing various international funds with columns: Fund Name, Class, and Price.

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# SPORTS BASEBALL

## Brewers' Shortstop Is Top AL Rookie

**The Associated Press**  
**NEW YORK** — Pat Listach, who failed to make the Milwaukee Brewers' opening day roster, was voted the American League Rookie of the Year.

Listach, a shortstop, was chosen first on 20 of 28 ballots and received 122 points in voting by the Baseball Writers Association of America. Kenny Lofton of Cleveland, an outfielder, was second with 85 points, followed by Dave Fleming, a pitcher from Seattle, with 23 and Cal Eldred, a Milwaukee pitcher, with 22. Lofton got seven first-place votes and Eldred one.

"It came as a surprise, the difference in the voting," Listach said during a news conference Wednesday at Milwaukee's County Stadium. "I expected it to be a lot closer. I didn't know if I'd come in first or second."

Listach hit .290 with one homer and 47 RBIs. He also stole 54 bases to break the Brewers' previous rookie record of 30, set by Paul Molitor in 1978.

"I didn't set any goals," Listach said. "I didn't even expect to be here this year."

"I was new to most of the other teams in the league. Off the bat, early in the season, they didn't know I would run. I got a few cheap stolen bases. As the season went on, it got harder."

The Brewers' manager, Phil Garner, sent Listach to the minors in his first round of spring training cuts, figuring Bill Spiers would be his shortstop. But Spiers didn't recover from offseason back surgery and the Brewers called up Listach one day after the season started.

"We all felt like he had the qualities to be an exciting player," Garner said. "We just didn't realize he would do it this soon. He was consistent all year. It seemed like just about every night he did something to help us win a ball game."

"It's hard to imagine how far I've come in the last eight months," Listach said.

Listach, 24, was supposed to be a utility player when the Brewers brought him back but his speed eventually earned him a starting role.

A switch-hitter with a .250 average in four minor league seasons, Listach led all rookies in hits with 168 and scored 93 runs.

"He came up here and he was going to sit but he kept himself ready," Garner said. "He's played well in all aspects. He kept impressing me until I decided to give him more playing time."

Milwaukee made Listach its second-round pick in the 1988 amateur draft. He played on the Arizona State team that advanced to the College World Series championship game against Stanford in 1988.

"He improved by leaps and bounds over the season," said Tim Lincecum, Milwaukee's infield coach. "We knew he was a great athlete, but he's also a great student."

Lofton hit .285 with five homers, 42 RBIs and 66 steals in 78 attempts for the Indians. Fleming was 17-10 with a 3.39 ERA for the Mariners and Eldred went 11-2 with a 1.79 ERA in 14 starts after Milwaukee brought him up.

### AL Rookies of the Year

- 1949 — Roy Sievers, St. Louis
- 1950 — Walt Drono, Boston
- 1951 — Gil McDougal, New York
- 1952 — Harry Byrd, Philadelphia
- 1953 — Harvey Kuenn, Detroit
- 1954 — Bob Grim, New York
- 1955 — Herb Score, Cleveland
- 1956 — Luis Aparicio, Chicago
- 1957 — Tony Kubek, New York
- 1958 — Albie Pearson, Washington
- 1959 — Bob Allison, Washington
- 1960 — Ron Hansen, Baltimore
- 1961 — Don Schwallie, Boston
- 1962 — Tom Trash, New York
- 1963 — Gary Peters, Chicago
- 1964 — Alvin Davis, Seattle
- 1965 — Curt Blecher, Baltimore
- 1966 — Tammie Agee, Chicago
- 1967 — Bob Carrow, Minnesota
- 1968 — Stan Bohannon, New York
- 1969 — Lou Piniella, Kansas City
- 1970 — Thurman Munson, New York
- 1971 — Chris Chambliss, Cleveland
- 1972 — Carlton Fisk, Boston
- 1973 — Al Bumbry, Baltimore
- 1974 — Mike Horowitz, Texas
- 1975 — Fred Lynn, Boston
- 1976 — Chuck Knoblauch, Minnesota
- 1977 — Eddie Murray, Baltimore
- 1978 — Lou Whitaker, Detroit
- 1979 — John Cueto, Minnesota and Alfredo Griffin, Toronto
- 1980 — Joe Charbonneau, Cleveland
- 1981 — Dave Stenesh, New York
- 1982 — Cal Rooker, Baltimore
- 1983 — Ron Kittle, Chicago
- 1984 — Al Bumbry, Baltimore
- 1985 — Ozzie Guillen, Chicago
- 1986 — Jose Canseco, Oakland
- 1987 — Mark McGwire, Oakland
- 1988 — Walt Weiss, Oakland
- 1989 — Grady Olson, Baltimore
- 1990 — Sandy Alomar, Jr., Cleveland
- 1991 — Chuck Knoblauch, Minnesota
- 1992 — Pat Listach, Milwaukee



After heading the ball, a diving Ruggiero Rizzitoli of AS Roma watched as it soared past Grasshoppers' goalkeeper Pascal Zuberbuehler for UEFA Cup a goal in Zurich.

## Journalist in Eye of Philippine Little League Storm

By William Branigan  
 Washington Post Service

**MANILA** — There is little doubt around here these days that Al Mendoza is the most vilified man in the Philippines. In newspapers and on radio programs, he has been called a traitor to his country. He has been compared with Filipino collaborators with the Japanese secret police during World War II, and he has even received death threats.

All of this might seem a bit extreme in a country where the police, military officers and politicians have been implicated lately in everything from numbers rackets to kidnaping. Al Mendoza, after all, is only a sports writer.

His troubles started when he began raising questions in his columns about the eligibility of players on the Philippine team that won the Little League World Series on Aug. 29. The team, supposedly representing Zamboanga in the southern Philippines, trounced a Little League team from Long Beach, California, in the championship game 15-4.

The tournament committee of Little League Baseball International took up Mendoza's allegations, and eventually stripped the title from the Zamboanga team on Sept. 18, awarding it to Long Beach. That decision set off a furor here that has expanded beyond Little League to prick Filipinos' sensitivities about their image and their often rocky relationship with their former colonial patron, the United States.

### Cubs' Grace Hits 2 Homers As U.S. Routs Japan, 10-2

The Associated Press

**FUKUOKA, Japan** — Mark Grace of the Chicago Cubs hit a pair of two-run homers on Thursday as a team of major leaguers routed the Japan All-Stars, 10-2.

The major leaguers are 4-1-1 in the eight-game series, which concludes Saturday and Sunday at the Tokyo Dome.

Grace hit his first homer and Mickey Tettleton also hit a two-run homer as the major leaguers took a 5-1 lead in the fourth inning. They added five runs in the fifth on Ken Griffey Jr.'s RBI double, Cecil Fielder's two-run single and Grace's second homer.

In addition to snuffing out a small triumph for this beleaguered country, the fiasco underscored issues of widespread corruption in Philippine society.

"This national shame will take a long time to heal," wrote Samuel Birones in a letter to a Manila daily. "Cheating, no doubt, seems to be part of our ethos, our 'national character.' You notice this in elections, in our metric scales, in the observance of office hours."

The Little League's triumph was an astounding victory, considering that baseball is not widely played in the Philippines. Its popularity here ranks far behind that of another U.S.-exported game: basketball.

On their return to Manila with the first world team sports championship ever won by the Philippines, the players received a ticker-tape parade and the personal congratulations of President Fidel V. Ramos, who gave them more than \$41,000 in government funds for scholarships. But the celebrations quickly soured.

It turned out that only 6 of the 14 team members came from Zamboanga. Philippine Little League officials had substituted eight ineligible players, plus an ineligible manager and coach, from other places across the Philippines to create an all-star national team in violation of Little League tournament rules.

There were also allegations — so far unproved — that some of the players were over the age limit for Little League. The tournament requires players to be under 13 on Aug. 1. One star pitcher was found to be a junior in high school; his parents claimed that he started first grade at age 4.

The Little League Baseball International Committee said it based its decision on written confirmation of the substitutions from Armando Andaya, the administrator of Little League baseball in the Philippines.

"Mr. Andaya did not have the authority to make these replacements, nor was he authorized to do so," said the Little League president, Creighton J. Hale.

Before the tournament began, an "eligibility affidavit" submitted by the Philippine team and signed by Andaya had attested that all the players came from Zamboanga, said Steve Keener, the first vice president of Little League.

Andaya, who resigned as Little League administrator here after the disqualification, declined to be interviewed or to answer written questions.

More common, though, have been reactions of denial, hyperbole and efforts to shift the blame to American Little League officials or to the Philippine journalists who helped expose the affair. The rules violations have been widely

dismissed here as mere technicalities and the forfeit denounced as "racist."

"The Americans in Williamsport just could not take it at the hands of the Filipinos," Andaya wrote in announcing his resignation. "Hence they scrounged around for some reason to overturn the victory."

Philippine senators then vowed "to take back the title." The Philippine Bar Association pledged its support, accusing the tournament committee of "violating fundamental due process" and "the very rules of fair play."

Little League Baseball Philippines, the umbrella organization for the country's 10 Little Leagues, demanded the resignation of the tournament committee and threatened to file "criminal, civil and administrative cases" against its members. The committee's "illegal decision," it said, "smacks of a wanton disregard of the basic tenets of law and justice strictly adhered to by all civilized nations."

Caught in the middle of the uproar has been Mendoza, a columnist for the Philippine Daily Inquirer who questioned the players' eligibility. After Zamboanga was disqualified, he appeared at a victory celebration by the Long Beach team and was photographed receiving a key to the city from local Little League officials. He says he was there to cover the event and did not know he would be given an award.

Filipinos in Southern California reacted with "intense indignation" and "utter disgust," to the award, said Gil Roy Gorre of the Philippine Consulate in Los Angeles. In letters to Manila newspapers this week, he said Mendoza had stirred "widespread outrage in the Filipino community so profound that people are still in anguish over it."

Certainly, he has come in for heavy invective in the Manila press. "Why did he have to go all the way over there to celebrate with the punks who stole the crown from us?" asked Max Soliven, publisher of the Philippine Star.

Mendoza's appearance "was just about as shocking for us Filipinos as Mother Teresa delivering the welcome address at the Manila centennial," wrote Teodoro Benigno, a former presidential press secretary. He added, "The journalist stops where the Filipino begins."

Nelson Navarro, a political columnist for the Manila Standard, said the disqualification had triggered "one of the most withering barrages of negative publicity, much of it reeking with malice and racism, ever flung against the Filipino people since the American conquest of 1898." The name of Al Mendoza, he said, "will long live in infamy among his fellow Filipinos."

## Record Payroll Paid Off for The Blue Jays

The Associated Press

**NEW YORK** — The Toronto Blue Jays paid big money to win big.

The World Series champions paid their players a record \$49.1 million, according to documents distributed this week to major-league general managers. That is a 57 percent increase from the Blue Jays' 1991 payroll of \$31.3 million.

Overall, the 772 players on Aug. 31 rosters made \$807.8 million this season, an average of \$1,046,420 per player. The total was up 21.7 percent from the \$663.7 million spent on players in 1991, and up 79.1 percent from the \$450.3 million in 1990.

Toronto paid its players an average of \$1,637,572, according to the documents. The Blue Jays were one of only four clubs that did not pay released players this season.

The Oakland Athletics, who had the top payroll in 1991 at \$39.2 million, were second this year at \$47.5 million.

The New York Mets, who slumped to fifth place in the NL East, were third at \$44 million, followed by Los Angeles at \$42.1 million. The Dodgers finished last for the first time since 1905.

Boston, which finished last for the first time since 1932, was fifth at \$42 million.

Cleveland had the lowest payroll at \$9.3 million.

## Barcelona And Cruyff Suffer Cup 'Nightmare'

Compiled by Our Staff From Agencies

**BARCELONA** — Johan Cruyff, coach of FC Barcelona, may be in danger of losing his job after the European Champions' Cup holders were humiliated by CSKA Moscow and eliminated from the competition.

"This is a nightmare," said the club's president, Jose Luis Nunez. He said Barcelona's defeat at home on Wednesday would cost the club about \$10 million.

Cruyff, who has been thwarted by Nunez in his attempts to extend his powers in line with a club manager's position in British football, could have lost boardroom backing following the defeat.

"The history of this club shows that we invariably plunge from the heights after a success," said Cruyff, a former Dutch star.

"Some of my players were thinking about playing Milan instead of finishing the job against Moscow," he added.

Barcelona had come away with a 1-1 draw after the first leg in Moscow.

But two goals in the first half hour on Wednesday appeared to provide the Spanish team with a cushion. The Russians scored just before the half, however, to make it 2-1.

In the second half, the Russians tied the score and then four minutes from the end struck again to win 3-2.

So Barcelona, with all its enormous wealth and prestige, went down 4-3 on aggregate. (See Scoreboard)

The CSKA Moscow coach, Genadi Kostylev, said he could not believe what happened to Barcelona in the second half.

"They just stopped playing," he said. "It was incredible." It was Barcelona's 50th European Cup match and, after whistles in the second half, it ended in silence.

Another Moscow team, Spartak, advanced in the Cup Winners' Cup. Liverpool, four times winner of the Champions' Cup between 1977 and 1984, lost 2-0 at Anfield and 6-2 on aggregate to Spartak Moscow.

Liverpool's manager, Graeme Souness, was impressed by Spartak.

"We were beaten by a very good team," he said. "All credit to them. They made us chase shadows for long spells."

Liverpool's defeat, coupled with those of Leeds and Sheffield Wednesday, left England without a representative in any of the three club competitions.

Torpedo Moscow nearly pulled off a Moscow hat-trick, beating Real Madrid, 3-2, in the UEFA Cup in Russia. But the Spanish side advanced on 7-5 aggregate.

On Thursday, Dynamo Moscow made it a hat-trick, though playing to a scoreless draw with Torino in Moscow to advance in the UEFA Cup competition on 2-1 aggregate.

None of the Russian teams has won a European club trophy in decades of trying.

(AFP, Reuters)

### DENNIS THE MENACE



"THE BEST THING ABOUT RUNNING AWAY FROM HOME IS RUNNING BACK HOME AGAIN."

### PEANUTS



### CALVIN AND HOBBES



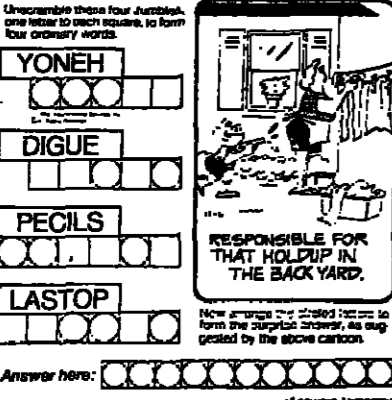
### BLONDIE



### WIZARD OF ID



### JUMBLE



Answer: YONEH, DIGUE, PECILS, LASTOP

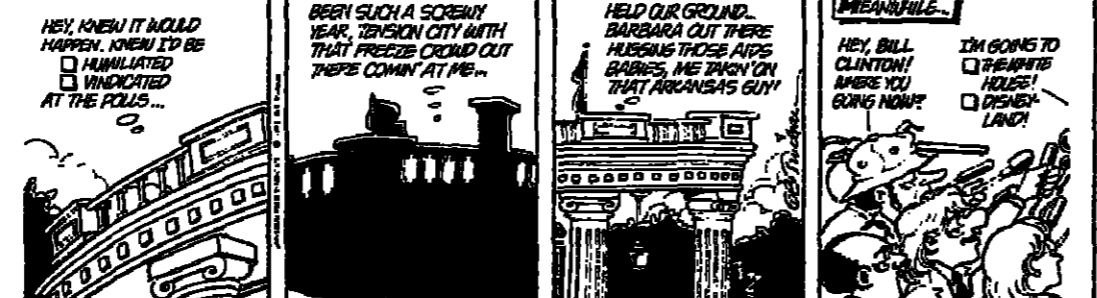
### BETLE BAILEY



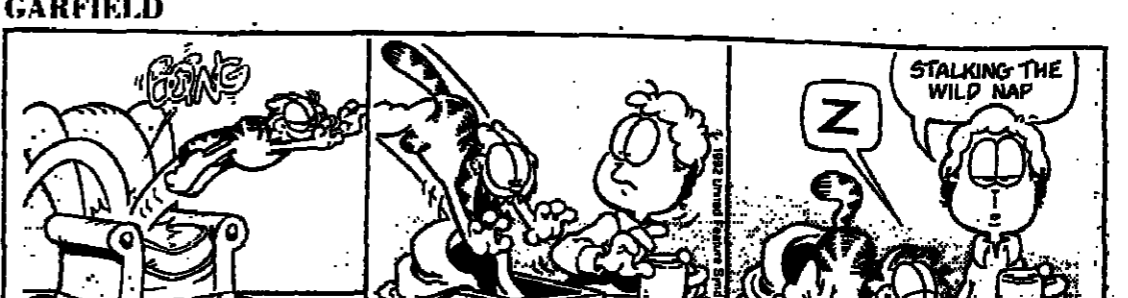
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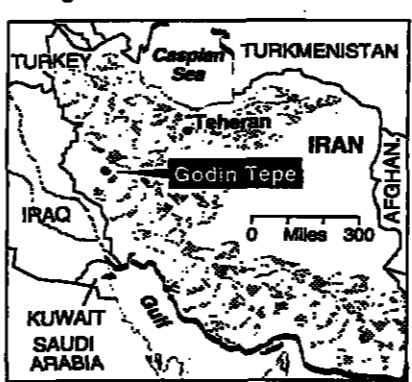
By Michael Dobbs
Washington Post Service
TBILISI, Georgia — The "Georgian military road" connecting Europe and Asia across the rugged Caucasus mountain range is "one of the most beautiful mountain roads in the world," noted the intrepid travel writer Karl Baedeker in 1914. But beware of "the natives," he wrote: Hiring a horse is "seldom possible without long and tedious bargaining."

25,000 tons of oil, to be delivered in Tbilisi. "I spend half the year painting, and the other half doing business. It's the only way I can survive," he explained. Higher up, climbing to the 7,800-foot Krestovi Pass, we came across a convoy of 300 trucks carrying food products to Armenia. Surrounded on three sides by its hereditary enemies, Turkey and Azerbaijan, Armenia is situated at a geopolitical dead end. The Georgian military highway is its lifeline to the outside world. Food convoys alternate with fuel convoys. Baedeker described the Georgian military highway, which was built by Russian soldiers during the Caucasus War of the early 19th century, as "the most important line of communication" across the Caucasus.



Bibulous Days at Sumerian Base

By John Noble Wilford
New York Times Service
NEW YORK — They must have had some bibulous days and nights 5,000 years ago at the Sumerian trading post of Godin Tepe, in the Zagros Mountains of what is now western Iran. Archaeologists can tell by sampling the dregs. In the same room of the ruins where archaeologists last year reported finding the earliest chemical evidence for wine, they have now identified the earliest chemical evidence for beer. The identification was made by analyzing a pale yellowish residue sticking to the interior of a double-handled pottery jar. Announcing the discovery in the journal Nature, the archaeologists said this established that people were making and drinking beer as early as 5300 B. C. The discovery also reinforced the image of the ancient Sumerians as among the first people to develop a complex, literate society of prospering city-states based on irrigation agriculture and widespread trade.



Sumerian ruins is the sign for "beer," which shows linear markings within a jar. These markings are similar to the unusual crisscross pattern of incisions inside the vessel where the beer residue was identified. "It's chemical substantiation of what were archaeological arguments before," Patrick E. McGovern, an archaeological chemist at the University Museum of Archaeology and Anthropology, at the University of Pennsylvania, said. McGovern conducted the analysis along with Dr. Rudolph H. Michel, an organic chemist at the museum. Virginia R. Badler, a graduate student at the University of Toronto, had noted the residue in the jar grooves while studying artifacts from Godin Tepe in the collections of the Royal Ontario Museum, in Toronto. These researchers, who wrote the Nature report, were the same ones responsible for identifying the earliest known wine from red stains in other jars from the same site. Asked the meaning of finding both the earliest known wine and beer in the same room, McGovern replied: "I think a lot of serious drinking was going on there."

PEOPLE

\$39 Million Up Front

A new high in pop music: Elton John and his longtime lyricist, Bernie Taupin, have signed a contract with Time Warner that will give them a \$39 million advance, the largest cash advance in music publishing history. The deal gives Warner/Chappell Music the sole rights to market John's catalogue of music from 1974 to the present as well as material from his next six albums. John and Taupin retain ownership of the catalogue, and the \$39 million advance will be deducted from their royalties over 12 years. Warner/Chappell struck a similar deal with Prince for a \$19 million advance. A new high in pop music: Elton John and his longtime lyricist, Bernie Taupin, have signed a contract with Time Warner that will give them a \$39 million advance, the largest cash advance in music publishing history. The deal gives Warner/Chappell Music the sole rights to market John's catalogue of music from 1974 to the present as well as material from his next six albums. John and Taupin retain ownership of the catalogue, and the \$39 million advance will be deducted from their royalties over 12 years. Warner/Chappell struck a similar deal with Prince for a \$19 million advance. A new high in pop music: Elton John and his longtime lyricist, Bernie Taupin, have signed a contract with Time Warner that will give them a \$39 million advance, the largest cash advance in music publishing history. The deal gives Warner/Chappell Music the sole rights to market John's catalogue of music from 1974 to the present as well as material from his next six albums. John and Taupin retain ownership of the catalogue, and the \$39 million advance will be deducted from their royalties over 12 years. Warner/Chappell struck a similar deal with Prince for a \$19 million advance.

WEATHER

Table with weather forecasts for various regions including Europe, North America, Asia, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution to the puzzle of Nov. 5.

BOOKS

THE RASCAL KING: The Life and Times of James Michael Curley, 1874-1958. By Jack Beatty. 571 pages. \$25. Addison-Wesley. Reviewed by Jonathan Yardley. JACK Beatty's uproarious biography of James Michael Curley no doubt will find readers long after the bleats and whimpers of the 1992 political campaign have faded from memory, but those readers are likely to be puzzled as they encounter bits and pieces of that campaign in Beatty's narrative. Why, they will wonder, does Beatty insist on dragging Barbara Bush into a discussion of Curley's first wife, Mary? Why does he insist on waving once again the soiled and tattered banner of Willie Horton? What does any of this have to do with James Michael Curley? The answer, of course, is: absolutely nothing. Beatty has used this biography of a legendary Boston politician who died in 1958 to vent his spleen about the politics of 1992. His editors should have stopped him, because his barbs and innuendoes against George Bush diminish, rather than illuminate, his portrait of Curley. The parallels between Bush's story and Curley's are essentially nonexistent, and Beatty's determination to manufacture them injects a note of sardonic and irrelevant partisanship into his narrative. This is all the more a pity because in virtually all other respects "The Rascal King" is an exemplary political biography. It is thorough, balanced, reflective and gracefully written. It is rooted in a deep knowledge of and affection for Boston, both the city itself and the people who inhabit it. It establishes and maintains a delicate equilibrium between tragedy — Curley, the politician of surprising gifts, laid low by the tragic flaw of greed — and comedy: Curley, immortalized as Frank Steffington, the politician of class hatred, wounded pride and ethnic resentment, thwarted hope and strangled aspiration, "playing the politics of 'hated, envy and revenge.'" Yet from that same tradition he learned the lesson that government exists to serve the people; he went into "the business of protecting people from illness, hunger, homelessness and unemployment."

BRIDGE

Bridge game results and commentary. Includes a list of scores for various teams and a short article about a recent game.



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